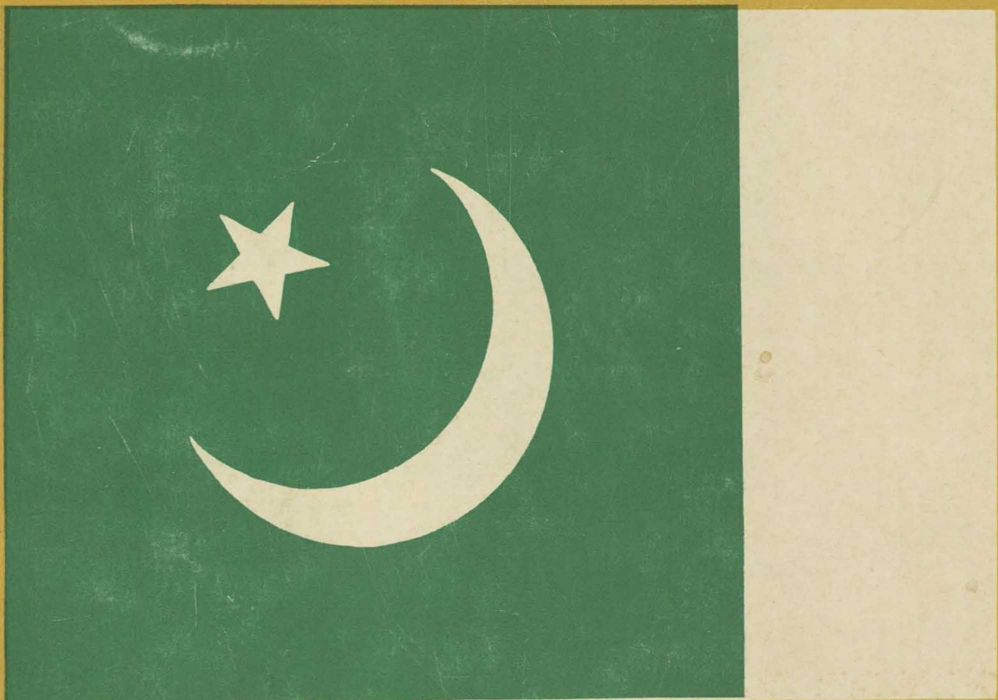
PAKISTAN BASIC FACTS



PAKISTAN—BASIC FACTS

Prepared by the Economic Adviser to the Government of Pakistan, Ministry of Finance, Rawalpindi.

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PREFACE

to the Second Edition

The hand-book **Pakistan Basic Facts** *was first published in December* 1961 *with a view to present in popular form some of the more important high-lights of Pakistan's economy and its progress since Independence. The hand-book had been in great demand from various quarters. In the second edition the data have been revised and brought up-to-date.*

2. *We have also received requests from our Missions abroad to publish this hand-book in other languages as well. This we hope to do in the near future.*

3. *Suggestions and comments for further improvement will be welcomed.*

ANWAR IQBAL QURESHI,
Economic Adviser
to the Government of Pakistan.

Dated Rawalpindi,
March 29, 1963.

PREFACE

to the First Edition

The hand-book of Basic Facts about Pakistan has been prepared to help those who want to have a bird's-eye view of Pakistan's economy at a glance. It attempts to present in popular form some of the more important high-lights of the progress of development in the country.

In the preparation of the hand-book every attempt has been made to include the major trends of development in the country; but in the interest of brevity, summarizing has become essential and minor details have been left out. Still, there may be some omissions here and there.

Any comments and suggestions for its improvement from the readers will be welcomed.

ANWAR IQBAL QURESHI,
Economic Adviser
to the Government of Pakistan.

Dated Rawalpindi,
December 1, 1961.

PAKISTAN ON THE GLOBE

WHEN, owing to persistent demand of the Muslims for a separate homeland in areas where they were in majority, the Indian sub-continent was divided into two States, Pakistan emerged as an independent sovereign State on August 14, 1947.

Pakistan consists of two parts, East Pakistan and West Pakistan, which are separated from each other by about 1,000 miles of Indian territory. East Pakistan lies between the longitudes 88°E and 92.30°E and between the latitudes 21°N and 27°N; while West Pakistan is situated between the longitudes of 61°E and 75°E and the latitudes of 24°N and 37°N.

West Pakistan touches the Himalayan foot-hills and the Hindukush mountains in the north. It is separated from Russia by a narrow stretch of mountain ranges and extends from the Pamirs down to the Arabian Sea. In the West are Afghanistan and Iran, while in the East and South it is bounded by India.

It comprises the former provinces of N.-W.F.P., Baluchistan, Sind and major part of the pre-Partition Punjab and the former States of Bahawalpur, Khairpur, Kalat, Makran and Lasbela.

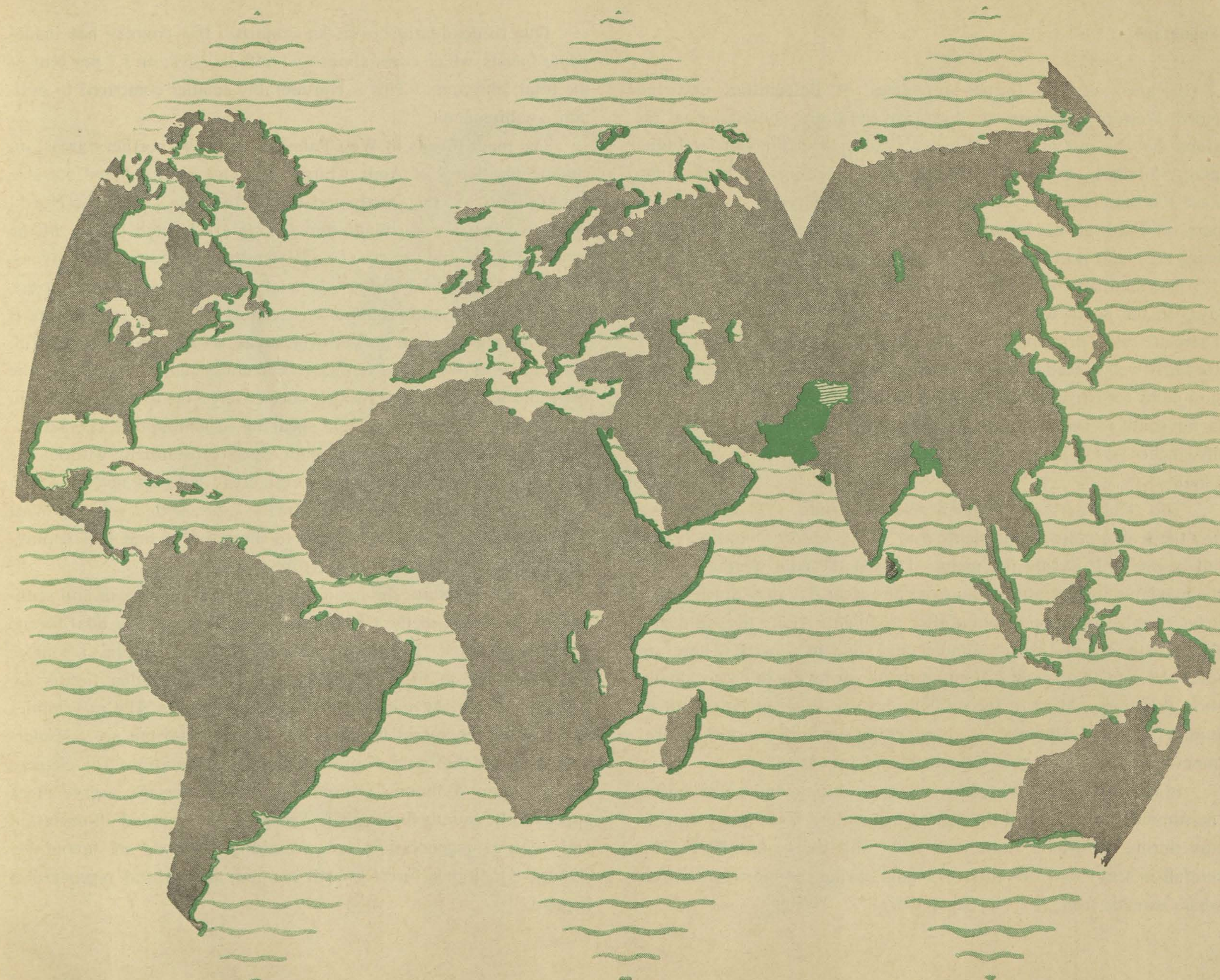
West Pakistan is a land of great scenic contrast. The rugged mountainous regions of the north give way to the plains and fertile land of the Indus valley and to the barren deserts in the south and west.

East Pakistan lies between the Indian provinces of West Bengal and Assam and the Union of Burma, with the Bay of Bengal in the south. It comprises the parts of the pre-Partition province of Bengal, major portion of the Sylhet district of Assam, and the Chittagong Hill Tracts.

In East Pakistan there are no wide contrasts of scenery. Heavy rainfall and an extensive river system have made this region a green and glorious land, rich in sub-tropical products.

Rawalpindi is the interim capital of Pakistan. The construction of the new capital at Islamabad, about 10 miles from Rawalpindi, is underway.

Karachi, the commercial nerve-centre has a fine and well developed seaport and is an important junction of air routes between the Middle East and the Far East and occupies a unique strategic position in the Eastern Hemisphere. Chittagong and Chalna are the two major ports of East Pakistan.



Topography

THE areas of the former provinces of Baluchistan and the North-Western Frontier in West Pakistan are mountainous regions, but the rest of West Pakistan is formed of the alluvial Indus plain. Similarly, except for an insignificant extension of Lushai Hills, East Pakistan consists of the alluvial Brahmaputra plain. Both parts of Pakistan have outlets to the sea, Karachi and Chittagong being the major ports of West Pakistan and East Pakistan respectively.

The landscape varies from the snow-covered peaks of the Himalayas in the north to the arid desert in the south and south-west. There are seven principal rivers running through the country. These are fairly well spaced and ideally suited for the construction of diversion dams for irrigation. The rainfall varies from four inches a year in the south to forty inches in the north of West Pakistan and from fifty inches to 135 inches in East Pakistan.

Climate

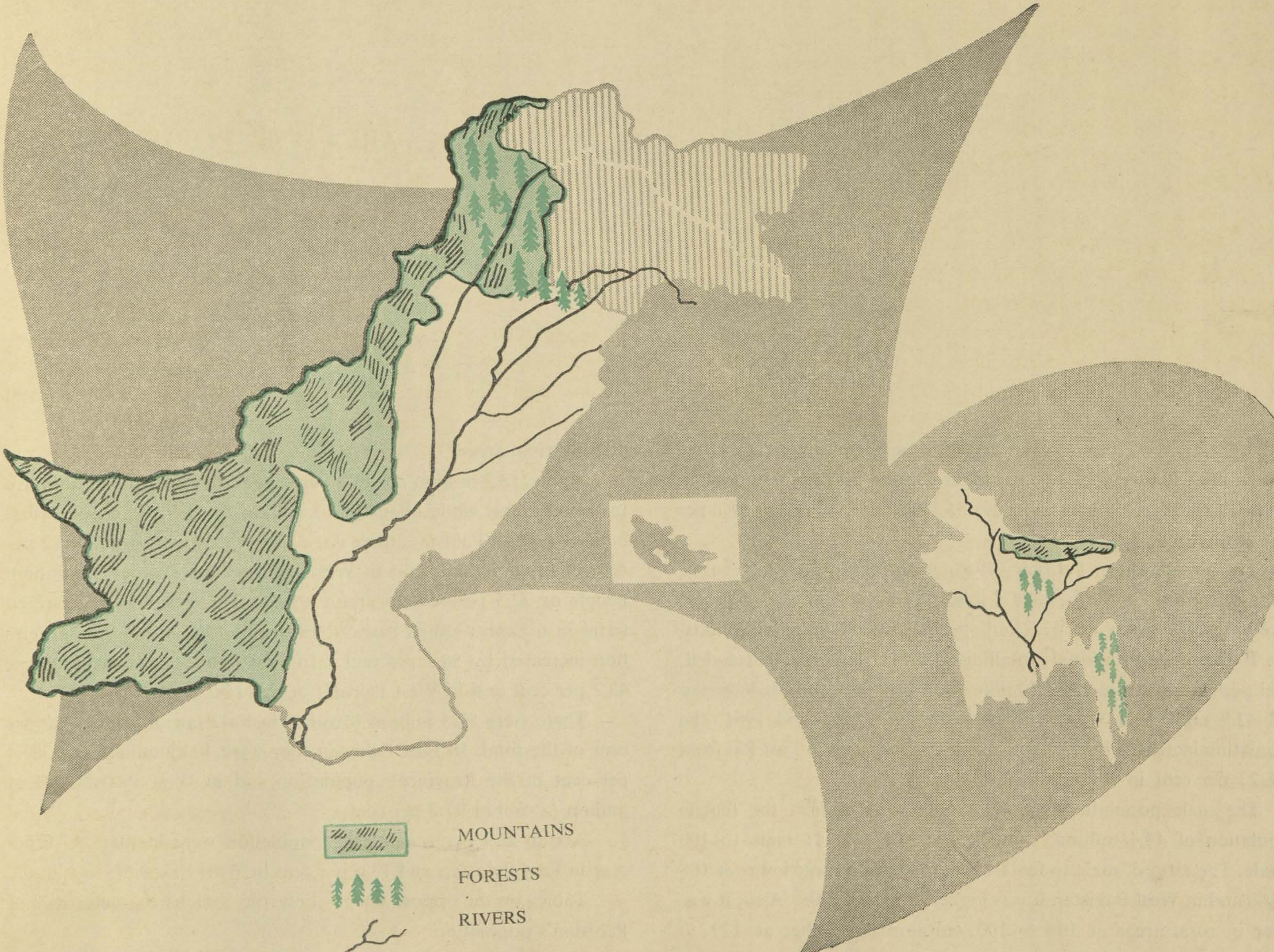
The climate is continental in West Pakistan. On a summer's day the temperature in the shade may go up to 120°F and may not fall below 90°F during the night. During the cold weather, while the maximum temperature on a calm and clear day may touch 75°F, it falls almost to freezing point after midnight. Along the sea coast, the climate is fairly hot in summer and mild in winter. There are four well defined seasons, but autumn and spring are of exceptionally short duration. Most of the rainfall occurs during the latter half of summer, and the winter season is generally dry with short and infrequent spells of rain during December and January.

In East Pakistan, the climate is tropical, humid and warm during the summer and mild and dry during the winter. The mean temperature during the winter months is 45°F and in summer 90°F. The rainfall is heavy and the bulk of it falls during the monsoon season which extends from May to September.

Due to denudation over the centuries, the country has inadequate forests, which cover about 8.64 million acres, or 3.7 per cent of the total land area. This is considerably smaller compared to optimum requirements.

The main forests in West Pakistan lie in the northern areas, including the States of Amb, Chitral, Dir and Swat. There are also dry hill forests in the Quetta and Kalat Divisions, and in the North-Western tribal areas. Plantation forests are located largely in the former Punjab, and are now being extended into the former province of Sind. The natural timber forests of West Pakistan are coniferous, lying in the hilly and mountainous regions where the growth rate is slow and regeneration in cut-over areas is not always successful. Large areas of West Pakistan have been completely denuded over the years and luxuriant forests which once covered the lower Indus Basin are now non-existent. Broadly speaking, it is doubtful whether the present rate of extraction can be increased substantially without the danger of further reducing the forest area—a forest inventory can provide a more definite answer. In the more settled areas of West Pakistan, trees continue to be cut to meet timber and fuel requirements, thus further reducing the forest wealth.

In East Pakistan, the main forests are the ever green and semi-ever green forests of the Chittagong Hill Tracts and the tidal forests of the Sunderbans. Extensive unexploited deciduous forest resources are also found in the Chittagong Hill Tracts. Smaller forests are found in Dacca, Mymensingh and Sylhet districts. The possibilities of immediate increases in extraction in East Pakistan are considerable, even on the basis of present limited information. The chances of short-term economic returns from the accessible reserve areas appear to be equally favourable. Prospects of expanded afforestation and natural regeneration are promising. Because of favourable climatic conditions, forest growth is rapid, and natural regeneration is good.


MOUNTAINS
FORESTS
RIVERS

AREA AND POPULATION

TOTAL area of Pakistan is 365,529 square miles. Of this, the area of West Pakistan is 310,403 square miles or 84.9 per cent of the total and that of East Pakistan 55,126 square miles or 15.1 per cent of the total.

The population in February 1961, according to the 1961 census, was assessed at 93.8 million. Of this, 50.9 million or 54.3 per cent were in East Pakistan and 42.9 million or 45.7 per cent in West Pakistan. If the foreign nationals totalling at 0.111 million are excluded, total population stood at 93.7 million—50.8 million in East Pakistan and 42.9 million in West Pakistan. Between 1951 and 1961, the population increased by 23.8 per cent —21.2 per cent in East Pakistan and 27 per cent in West Pakistan.

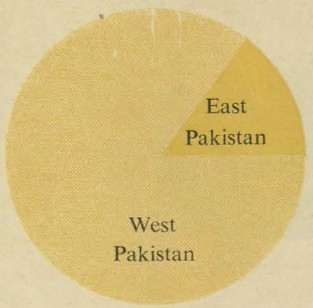
The male population was 49.3 million as against the female population of 44.4 million, showing the ratio of 111 male to 100 female. The ratio of male to female in East Pakistan was lower at 108 to 100 and in West Pakistan it was higher at 115 to 100. Also, it was lower in rural areas at 109 to 100, substantially higher at 129 to 100 in urban areas.

About 12.3 million *i.e.* 13.1 per cent of the total population live in urban areas, while about 81.40 million or 86.9 per cent in rural areas. In East Pakistan, there were 2.64 million persons, *i.e.*, 5.2 per cent in urban areas, while in West Pakistan there were 9.65 million people or 22.5 per cent in urban areas. There has been a marked trend in urbanization as between 1951 and 1961, the urban population increased by 56.1 per cent. In East Pakistan the increase was 43.2 per cent and in West Pakistan it was 60.1 per cent.

There were 82.5 million Muslims in Pakistan or about 88.1 per cent of the total. In East Pakistan they were 40.89 million, *i.e.*, 80.4 per cent of the Province's population and in West Pakistan 41.64 million *i.e.* about 97.2 per cent.

About 15.9 per cent of the population were literate—17.6 per cent in East Pakistan and 13.6 per cent in West Pakistan.

Tables on the opposite page show the various characteristics of Pakistan's population.



AREA, POPULATION AND LITERACY

Locality	Pakistan (1)	E. Pakistan	W. Pakistan
Percentage of total population	15.9	17.6	13.6
Literates (2) (000s)	14,336	8,956	5,380
Persons per sq. mile	256	922	138
Population (000s)	93,720 (3)	50,840	42,880
Area sq. miles	365,529	55,126	310,403

1. Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagarh and Manavadar.

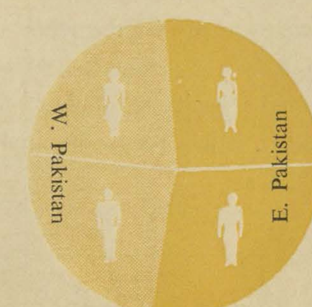
2. Defined as able to read with understanding a short statement on everyday life in any language.

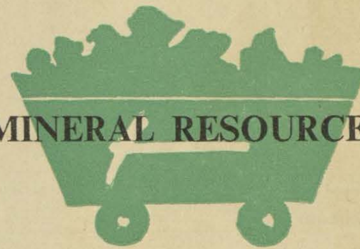
3. Excludes foreign nationals.

POPULATION 1951 and 1961

Locality	1951 Total (000s)	1961 (a) Total (000s)	1961 (a) % increase over 1951	1961 (a) Male (000s)	1961 (a) Female (000s)	1961 (a) Urban (000s)	1961 (a) Rural (000s)	1961 (a) Muslims (000s)	1961 (a) Non-Muslims (000s)
Pakistan (b)	75,842	93,720	24	49,297	44,394	12,287	81,404	82,526	11,165
E. Pakistan	42,062	50,840	21	26,349	24,491	2,641	48,200	40,890	9,951
W. Pakistan	33,780	42,880	27	22,948	19,903	9,646	33,204	41,636	1,214

(a) Excluding foreign nationals.
(b) Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagarh and Manavadar.





MINERAL RESOURCES

THE mineral resources of Pakistan have not been fully explored in the past.

Geologically speaking, indications are that there is a possibility of the existence of oil, both in East and West Pakistan. In fact, oil in West Pakistan has been discovered and is actually being tapped since pre-Independence days near Rawalpindi. Production of crude oil has gone up from 17 million I. G. in 1948 to 117 million I. G. in 1962. There has been a similar rise in the production of refined petroleum products. Despite this general improvement, the indigenous production meets only a small part of the country's requirements. The search for oil, therefore, continues relentlessly. At present, several well-known oil companies hold prospecting licences covering large areas both in East and West Pakistan.

With a view to save foreign exchange on account of the import of petroleum products an oil refinery was set up at Karachi in November 1962 with the participation of a consortium of two British and two American oil companies. Costing Rs. 90 million, the oil refinery has an estimated annual capacity of refining 1.5 to 2.1 million tons of crude oil. The refinery, it has been estimated, would result in a saving of foreign exchange of about Rs. 30 million annually. It has been decided to set up another oil refinery at Chittagong in East Pakistan.

As a result of petroleum exploration by a number of foreign companies, vast deposits of gas have been discovered at Sui. The gas is being produced in the country since 1955. Gas has also been discovered in sizable quantity at Chhatak and Kailashtila in East Pakistan. Large deposits of salt and gypsum are found in the former Punjab, while coal, sulphur, chromite, antimony and other minerals are known to exist in several parts of the country. Plans for an exhaustive geological survey have been completed and it is hoped that this survey will reveal the existence of many minerals in fair quantities.

An Oil and Gas Development Corporation was set up in 1961 for the exploration, production, refining and distribution of oil and gas in the country.

The table on the opposite page gives production figures of important minerals.

PRODUCTION OF MINERALS

Mineral	*Unit*	*1948*	*1959*	*1960*	*1961*	*1962*
Antimony	Tons	—	152	90	20	105 (*a*)
Asbestos	,,	—	46	—	—	—
Bauxite	,,	—	2,319	574	405	—
Bentonite	,,	—	—	1,334	967	401 (*a*)
Celestite	,,	—	664	1,332	412	284 (*a*)
China clay	,,	—	—	6	706	20 (*a*)
Chromite	,,	17,873	16,223	18,000	25	30 (*a*)
Coal	,,	240,797	723,000	818,000	906,000	947,000 (*a*)
Copper	,,	—	—	154	—	88 (*a*)
Fireclay	,,	—	14,000	16,000	16,000	9,000 (*a*)
Fuller's earth	,,	—	—	1,480	10,207	8,571 (*a*)
Gypsum	,,	—	97,000	90,000	100	128 (*a*)
Iron ore	,,	—	2,250	5,421	3,804	N. A.
Limestone	,,	346,906	927,000	1,064,000	1,176,000	1,515,000 (*a*)
Lead ore	,,	—	331	17	62	130 (*a*)
Magnesite	,,	—	376	663	160	925 (*a*)
Manganese	,,	—	29	180	344	14 (*a*)
Marble	,,	—	2,796	5,245	4,921	2,222 (*a*)
Orches	,,	—	276	451	406	722 (*a*)
Rock salt	,,	—	157,000	181,000	198,000	192,000
Silica sand	,,	—	22,000	26,000	13,000	14,000 (*a*)
Soapstone	,,	—	2,340	3,370	1,215	1,092 (*a*)
Sodium carbonate	,,	—	—	1,458	—	—
Barytes	,,	—	508	635	437	2,677 (*a*)
Natural gas	Million c.ft.	—	22,365	29,842	34,665	42,076
Crude petroleum	Million I.G.	17	82	92	99	117

(*a*) Provisional.

AGRICULTURE

LAND UTILIZATION

THE total land area of Pakistan is 233.9 million acres of which 149.1 million acres or 64 per cent of the total area has so far been fully surveyed. The analysis of the surveyed area reveals that 56 million acres or 38 per cent of the surveyed area is not available for cultivation. Out of the area available for cultivation, only 51.6 million acres are sown which represents only 35 per cent of the surveyed area.

As 10.1 million acres are sown more than once a year, the total cropped area amounts to about 62 million acres.

Because of inadequate rainfall in West Pakistan, most of the cultivated area is irrigated and exceeds 24 million acres, *i.e.* about 66 per cent of the total cropped area. In East Pakistan, the irrigated area is about 0.2 million acre, which is about 1 per cent of the total cultivated area of the zone. As the Government are anxious to increase agricultural output in East Pakistan through provision of irrigation facilities during winter, a large number of big irrigation projects are under execution.

A table showing the land utilization statistics is given on the opposite page.

LAND UTILIZATION

(In thousand acres)

Province	Total area	Area not reported	AREA REPORTED								
						CULTIVATED AREA					Total area reported (columns 4, 5, 6 & 9)
			Forest area	Not available for cultivation	Other uncultivated land excluding current fallows	Current fallow	Net area sown	Total area cultivated (columns 7 & 8)	Area sown more than once	Total cropped area (columns 8 & 10)	
East Pakistan	35,281	631	5,464	5,598	1,936	1,346	20,306	21,652	5,621	25,927	34,650
West Pakistan	198,653	84,078	3,189	50,347	20,010	9,605	31,336	40,941	4,523	35,859	114,487
Total	**233,934**	**84,709**	**8,653**	**55,945**	**21,946**	**10,951**	**51,642**	**62,593**	**10,144**	**61,786**	**149,137**

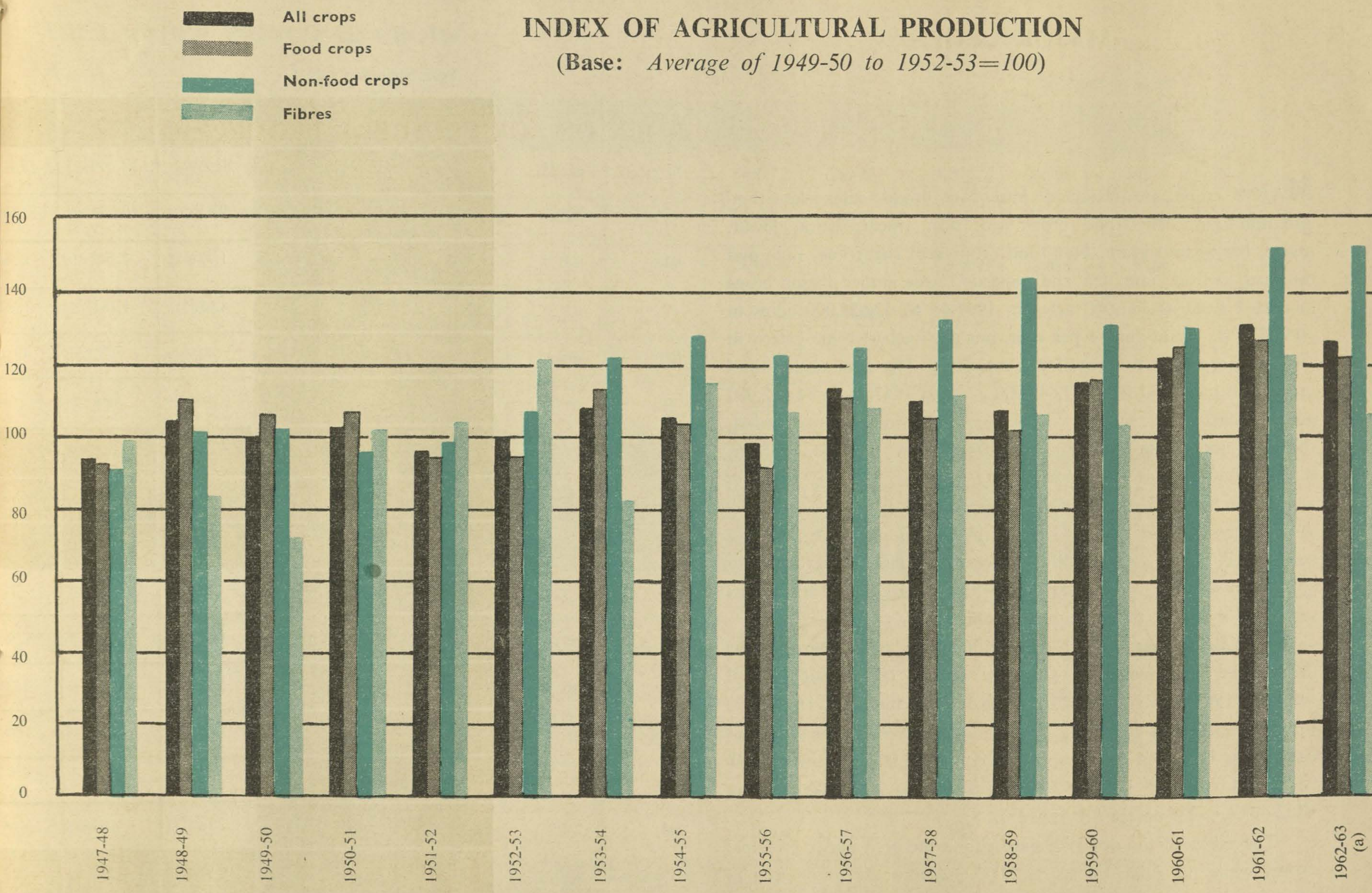
INDEX OF AGRICULTURAL PRODUCTION

AGRICULTURAL production has shown some progress in recent years. Taking the average of 1949-50 to 1952-53 as 100, it is found that the production of all crops increased from 105 in 1948-49 to 108 in 1958-59. In 1959-60 the index rose to 117 and to 131 in 1961-62, but declined to 126 (provisional) due mainly to adverse weather conditions in East Pakistan.

The food production has not only failed to keep pace with the increase in population but even the absolute increase has been only marginal. From 1948-49 to 1960-61, while the population increased from 72.6 million to 93.8 million (30 per cent) the food supply increased from 13.6 million tons to 15.4 million tons (13.2 per cent). The position of food supply in relation to population, as a matter of fact, has deteriorated considerably. While in 1948-49 the per capita production was 16 ounces, it declined in the course of a decade to 13 ounces in 1958-59, but increased to 15 ounces in 1960-61. Pakistan is now an importer of both rice and wheat. In order to meet the requirements of its growing population the imports of cereals and cereal preparations (mainly wheat and rice) have increased from 6,49,125 tons in 1952-53 to 1,732,214 tons in 1960-61. During 1961-62, however, the imports fell to 1,065,000 tons.

INDEX OF AGRICULTURAL PRODUCTION

(Base: *Average of 1949-50 to 1952-53=100*)



(a) Provisional.

MAJOR crops are classified into two broad categories—food and non-food. The food crops are: rice, wheat, bajra, jowar, maize, barley and gram. Non-food crops are: sugarcane, rape and mustard, cotton, jute, tea and tobacco. Area under major crops increased from 45,231,000 acres in 1947-48 to 53,626,000 acres in 1961-62 *viz.*, by about 19 per cent, but declined to some extent in 1962-63 according to provisional estimates. The area under food crops also increased from 37,647,000 acres in 1947-48 to 44,332,000 acres in 1962-63 *viz.* by about 18 per cent. During the same period, the area under non-food crops increased from 7,584,000 acres to 8,323,000 acres or by 10 per cent.

Under food crops, the major increases took place in rice, wheat and maize, while in non-food crops the area under sugarcane, oil-seeds and tobacco appreciably increased. Of late, there has been some increase in the area under jute, while the area under cotton has remained stagnant, though showing some yearly variations.

With the increase in area under cultivation, the output of major crops has also increased over the years. The output of food crops in 1961-62 was estimated at 16,517,000 tons and 15,811,000 tons in 1962-63, as against 12,234,000 tons in 1947-48. The output of cash crops increased more rapidly from 10,722,000 tons in 1947-48 to 20,544,000 tons in 1961-62 and further to 20,808,000 tons in 1962-63, *i.e.*, by nearly 88 per cent.

The table on the opposite page shows the area under principal crops, while the table on pages 22-23 indicates the production of these crops.

AREA UNDER PRINCIPAL CROPS

Year beginning July 1. (In thousand acres)

Crop	1947-48	1948-49	1949[illegible]51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63(a)
Rice	20,959	21,499	21,8[illegible]	22,484	23,021	24,520	23,705	21,881	22,456	22,887	22,487	24,125	24,804	23,964	24,281
Wheat	9,855	10,686	10,43[illegible]	10,244	9,530	10,514	10,633	11,266	11,720	11,495	12,032	12,193	11,603	12,571	12,140
Bajra	1,998	2,329	2,36[illegible]	2,019	2,213	2,583	2,192	2,203	2,288	1,846	2,003	1,990	1,844	2,055	2,104
Jowar	1,055	1,181	1,36[illegible]	1,121	1,317	1,513	1,126	1,327	1,358	955	1,097	1,128	1,177	1,269	1,204
Maize	905	952	1,00[illegible]	981	980	1,072	1,071	1,070	1,071	1,072	1,132	1,199	1,207	1,191	1,151
Barley	488	658	58[illegible]	513	570	602	536	539	525	542	550	630	536	544	526
Total foodgrains	**35,260**	**37,305**	**37,581**	**37,362**	**37,631**	**40,804**	**39,263**	**38,286**	**39,418**	**38,797**	**39,301**	**41,265**	**41,171**	**41,594**	**41,406**
Gram	2,387	3,003	2,59[illegible]	2,310	2,234	2,764	3,262	3,423	3,327	3,134	3,154	2,954	2,881	3,093	2,926
Total food crops	**37,647**	**40,308**	**40,187**	**39,672**	**39,865**	**43,568**	**42,525**	**41,709**	**42,745**	**41,931**	**42,455**	**44,219**	**44,052**	**44,687**	**44,332**
Sugarcane	690	708	774	704	873	979	1,017	967	1,043	1,234	1,301	1,261	1,238	1,388	1,381
Rape and mustard	1,491	1,581	1,38[illegible]	1,867	1,561	1,581	1,796	2,010	1,830	1,745	2,047	1,965	1,791	1,704	1,648
Cotton (Lint)	3,112	2,654	2,79[illegible]	3,374	3,480	2,928	3,194	3,529	3,608	3,641	3,324	3,370	3,242	3,488	3,283
Jute	2,059	1,877	1,56[illegible]	1,779	1,907	965	1,243	1,634	1,230	1,563	1,528	1,375	1,518	2,061	1,723
Tea	70	73	7[illegible]5	75	73	75	74	77	76	76	76	78	78	79	81
Tobacco	162	164	16[illegible]9	184	173	191	242	191	181	196	200	203	198	219	207
Total cash crops	**7,584**	**7,057**	**6,75[illegible]8**	**7,983**	**8,067**	**6,719**	**7,566**	**10,118**	**7,968**	**8,455**	**8,476**	**8,252**	**8,065**	**8,939**	**8,323**
Total principal crops	**45,231**	**47,365**	**46,93[illegible]5**	**47,655**	**47,932**	**50,287**	**50,091**	**51,827**	**50,713**	**50,386**	**50,931**	**52,471**	**52,117**	**53,626**	**52,655**

(a) Provisional. Data corrected up to April 30, 1963.

PRODUCTION OF PRINCIPAL CROPS

Year beginning July 1.

Crop	*1947-48*	*1948-49*	*1949-50*	*1950-51*	*1951-52*	*1952-53*	*1953-54*	*1954-55*	*1955-56*	*1956-57*
Rice (cleaned)	7,418	8,408	8,169	8,195	7,753	8,154	9,151	8,415	7,212	9,016
Wheat	3,321	3,993	3,885	3,950	2,984	2,391	3,611	3,162	3,339	3,604
Bajra	296	394	370	386	265	267	461	348	340	363
Jowar	202	242	267	244	205	220	288	220	249	255
Maize	355	375	404	384	379	349	405	428	453	464
Barley	126	191	163	144	115	108	143	122	143	130
Total foodgrains	**11,718**	**13,603**	**13,258**	**13,303**	**11,701**	**11,489**	**14,059**	**12,695**	**11,736**	**13,832**
Gram	516	804	651	791	474	369	615	656	732	716
Total food crops	**12,234**	**14,407**	**13,909**	**14,094**	**12,175**	**11,858**	**14,674**	**13,351**	**12,468**	**14,548**
Sugarcane	8,982	10,229	10,801	8,817	8,780	10,895	12,876	12,454	12,045	12,717
Rape and mustard	250	268	228	285	297	228	263	321	324	315
Cotton (Lint)	196	172	220	249	248	315	252	280	296	302
Jute	1,222	978	595	1,073	1,131	1,218	804	832	1,161	985
Tea	13	15	17	17	21	23	23	25	23	23
Tobacco	59	63	66	72	80	75	87	125	88	86
Total cash crops	**10,722**	**11,725**	**11,927**	**10,513**	**10,557**	**12,754**	**14,305**	**14,037**	**13,937**	**14,428**
Total principal crops	**22,956**	**26,132**	**25,836**	**24,607**	**22,732**	**24,612**	**28,979**	**27,388**	**26,405**	**28,976**

(a) Provisional.

(In thousand tons)

1957-58	*1958-59*	*1959-60*	*1960-61*	*1961-62*	*1962-63*(a)
8,460	7,897	9,461	10,533	10,575	9,871
3,530	3,870	3,876	3,786	4,064	3,961
274	309	324	301	364	416
183	212	229	218	245	248
442	482	480	439	487	486
169	172	149	135	132	139
13,058	**12,942**	**14,519**	**15,412**	**15,867**	**15,121**
688	606	627	636	650	690
13,746	**13,548**	**15,146**	**16,048**	**16,517**	**15,811**
14,881	16,126	14,105	15,412	18,548	19,154
296	373	318	308	305	310
301	281	290	299	322	311
1,107	1,071	992	796	1,244	919
20	24	25	19	26	23
90	99	88	84	99	91
16,695	**17,974**	**15,818**	**16,918**	**20,544**	**20,808**
30,441	**31,522**	**30,962**	**32,966**	**37,061**	**36,619**

FOOD CROPS

THE principal food crops are rice, wheat, bajra, jowar, maize, barley and gram. At the time of Independence, the total area under cultivation was 37,647,000 acres and the total yield obtained from those was 12,234,000 tons. The area increased to 40,308,000 acres in 1948-49 and the yield to 14,407,000 tons. By 1961-62, the acreage under food crops increased to 44,687,000 acres and the yield to 16,517,000 tons. In 1962-63, however, both area under food crops and production declined, the latter due mainly to unfavourable weather conditions. This increase is negligible when a period of fifteen years is taken in view. This becomes all the more glaring when increase in population is taken into account. The table on the accompanying page shows the production trend of the principal crops.

Rice and wheat, being important foodgrains, are dealt with separately in the following pages.

RICE



PAKISTAN is an important rice producing country. About 56 per cent of its population, mainly in East Pakistan, has rice as staple food. The production of rice is higher than that of any other food crop. The average production of cleaned rice during the ten-year period (1947-48 to 1956-57) was 8,189,000 tons, which is about 61 per cent of the total yield of all food crops. About 90 per cent of rice is grown in East Pakistan.

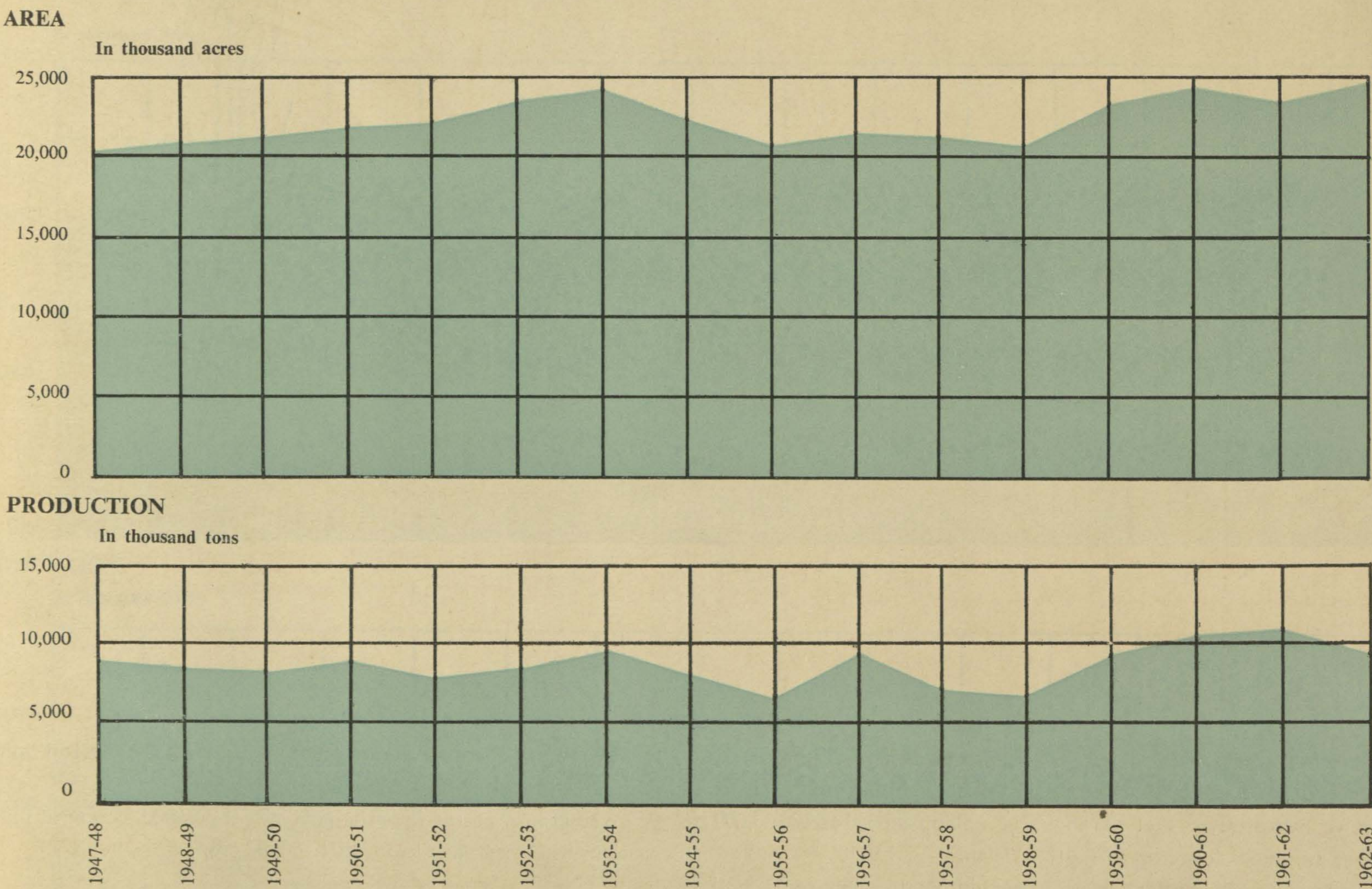
The conditions under which the crop is grown in East Pakistan vary widely. Cultivation methods differ, crop practices are also diverse. A large number of varieties of rice (about 500) are, therefore, grown in different districts.

Three crops are harvested against one in West Pakistan. *Aus* or autumn paddy is sown during March-June and harvested during July-September. *Aman* or winter paddy is sown in nursery during February-March, transplanted during June-July and is harvested during November-February. *Boro* or summer paddy is sown in July-August, transplanted in November-December in muddy river banks from where the water has receded and is harvested during March-May.

The three crops do not necessarily occupy the same land but sometimes double cropping is arranged. The normal rotations of rice are with pulses and jute. The per acre yield of *aman* is generally the highest and that of *boro* the lowest, while that of *aus* is in between the two.

The graphs on the opposite page show the area and production of the crop during the last sixteen years.

AREA AND PRODUCTION OF RICE





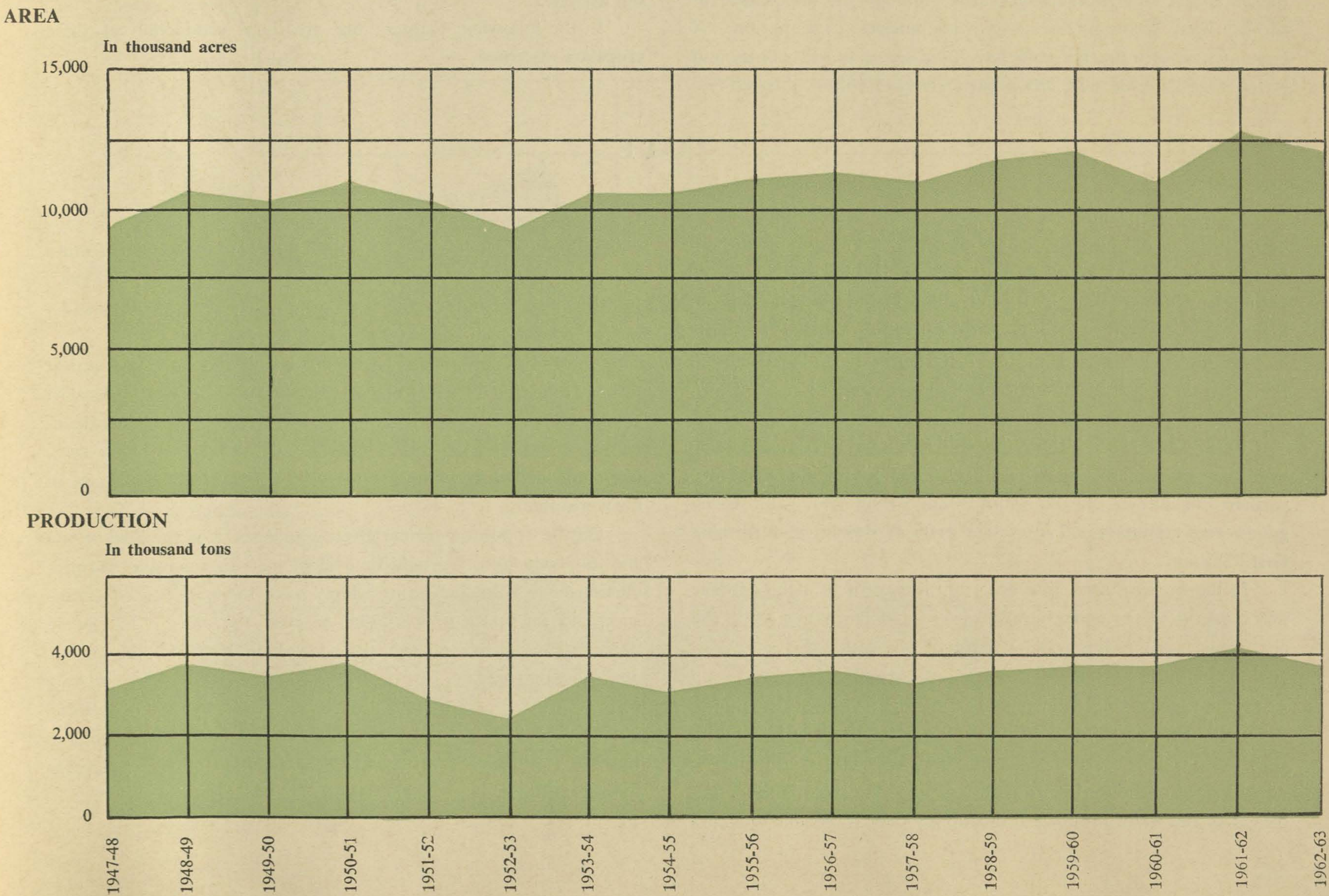
WHEAT

WHEAT comes next to rice in area as well as in production. It is the staple food of the people in West Pakistan where it is grown exclusively. Out of about 11 million acres, barely 100,000 acres are under this crop in East Pakistan.

The average production of wheat during the ten-year period (1950—60) and five-year period (1955—60) are 3,432 thousand tons and 3,644 thousand tons respectively.

The graphs on the opposite page give a detailed picture of fluctuations in acreage and production of the crop.

AREA AND PRODUCTION OF WHEAT



NON-FOOD CROPS

IMPORTANT non-food crops are: jute, cotton, sugarcane, rape and mustard, tea and tobacco. Jute, cotton and tea are the important foreign exchange earners though the importance of tea has been declining due to growing internal consumption. A large number of industrial units have been set up in the country and now a large share of these crops, particularly of cotton, tobacco and oilseeds is consumed internally. About 30 per cent of jute is also consumed locally, but it still occupies the most important place in our exports.

In the following chapters the area and production of these crops are discussed.

JUTE

Cultivation of jute was prevalent in the Indo-Pakistan sub-continent even during the pre-historic period. The famous ancient Hindu writer, Manu, mentions *patta*, a fibre of jute type, in one of his books which traces back its cultivation in the Gangetic delta in 800 B.C. It is said that the leaves of the plant were used at that time as food and medicine. The great historian of the Mughal period, Abul Fazal, also referred to it in his famous book *Ain-e-Akbari*, wherein jute prices and the revenues derived from it are mentioned.

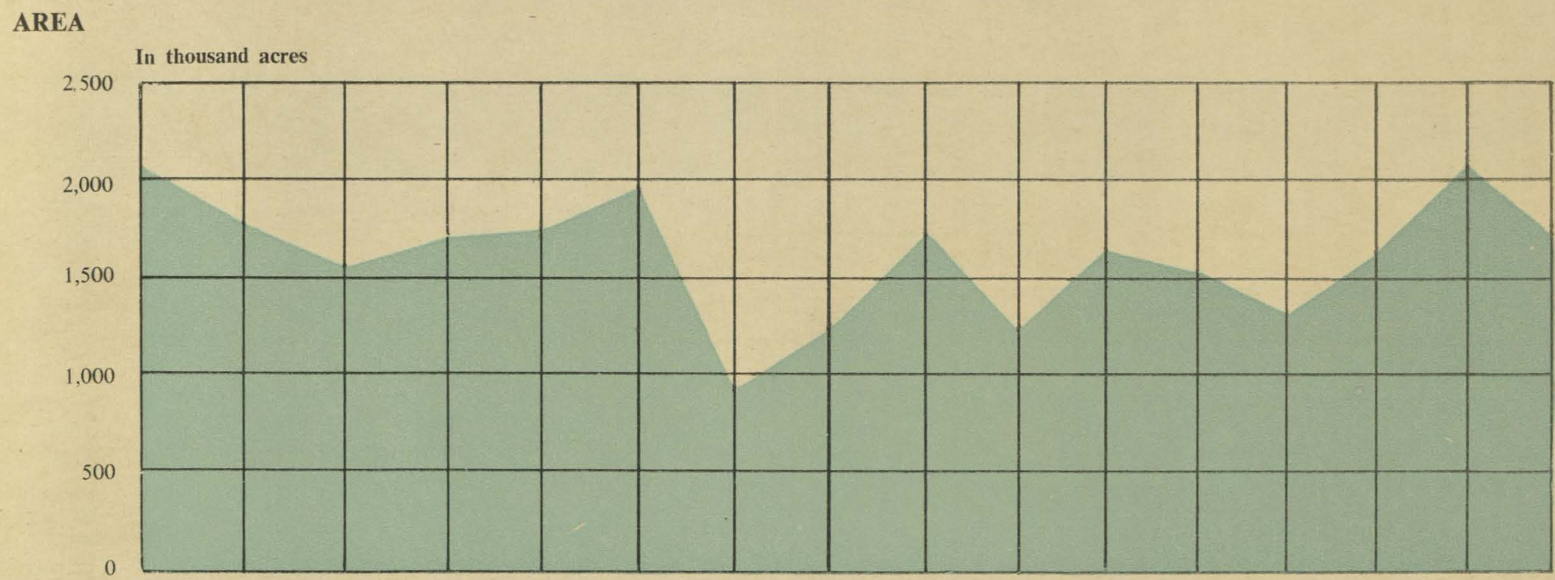
In spite of its long history, jute cultivation did not develop much until the beginning of the 19th century. The fibre was first spun into yarn in England in 1820 in Oxfordshire. Before that, hand-woven goods were manufactured in certain parts of Bengal, now forming East Pakistan.

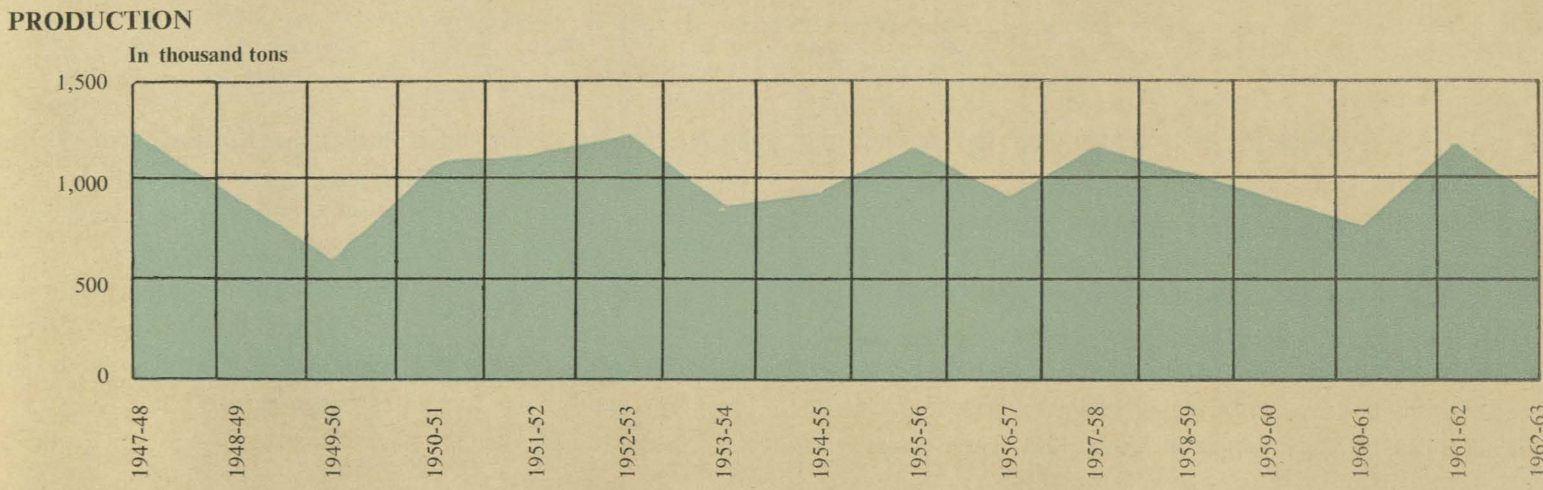
In the earlier stages, jute was spun into yarn to make cordage which was used for agricultural purposes and paper making. The next stage was the preparation of rough fabrics for domestic uses, such as matting, bedding etc. Large-scale commercial exploitation of the fibre started much later and when this happened, it assumed unique importance as an industrial raw material. The jute industries first produced only coarse bags but later on experiments enabled them to produce finer qualities of material called hessian. The bleaching and water-proofing of the fabrics made it possible to manufacture tarpaulins and canvas. The technique of mixing jute yarn with cotton, wool, silk, flax and other fibres led to the manufacture of curtains, upholstery, and coating fabrics, buckram, packsheets, brattice cloth, linoleum yarns, cords, rugs and carpets. There is still a great scope for further research to develop other uses of jute.

The Indo-Pakistan sub-continent produces most of the world's jute. It is grown in small quantity in Formosa, Brazil, Argentine, Japan, China, West Africa, Egypt, Sudan, France, Turkey, Thailand, Burma, Indonesia, Paraguay, Mexico and the U.S.S.R. Their combined production, however, is not more than two to three per cent of the world total.

On the opposite page are given graphs showing the area of jute and its production. It would be evident that both acreage and production have been fluctuating widely since Independence. The area and yield reached a peak in 1952-53 after 1947-48 due to Korean boom. The acreage dipped to its lowest in 1953-54 following the post-Korean recession. During 1961-62, both area and production reached a new peak. In 1962-63, however, these showed a considerable decline due to unfavourable weather conditions. According to the latest estimates for 1962-63 the production of jute (excluding mesta) is estimated at 60,000 bales.

AREA AND PRODUCTION OF JUTE





JUTE PRICES

THE story of jute prices is even sadder than the account of decline in area and yield, which has seriously affected the foreign exchange earnings. Price trend in jute has been very unsteady. From a peak of Rs. 43.12 per maund in July 1951, it declined to Rs. 12 in October 1952, and remained near that level till April 1953. From May 1953, there was some recovery; but the prices remained generally below Rs. 25 per maund. Since October 1955, however, the prices have considerably improved. In October 1960, they rose to Rs. 61.12 and further to Rs. 80.50 per maund in March 1961. These prices were higher than those prevailing during the Korean boom. This unexpected rise in price was mainly due to heavy shortfall in production during 1960-61. By August 1962, however, the prices declined to Rs. 30 per maund and have shown little improvement since then.

The price of jute, on the whole, has failed to keep pace with the general increase in world price level and this largely explains the difficulties of Pakistan in its foreign exchange earnings as jute is the country's number one foreign exchange earner.

AVERAGE WHOLESALE PRICE OF JUTE AT NARAYANGANJ
(Quality—White Jat Bottom)

(In Rs. per maund)

Month	*1951-52*	*1952-53*	*1953-54*	*1954-55*	*1955-56*	*1956-57*	*1957-58*	*1958-59*	*1959-60*	*1960-61*	*1961-62*	*1962-63*
July	43.12	14.56	23.00	17.00	18.50	29.00	33.50	27.37	28.25	40.37	56.80	30.25
August	33.12	12.37	22.00	21.50	24.00	31.50	30.00	28.69	29.00	39.50	45.63	30.00
September	31.62	13.19	19.00	21.50	23.50	32.00	29.00	25.88	28.37	42.00	46.60	30.80
October	32.44	12.00	22.00	23.50	26.50	35.00	30.00	26.12	27.69	61.12	45.00	31.00
November	32.00	12.50	24.00	26.00	27.50	38.00	31.00	24.00	29.37	68.75	43.50	31.00
December	33.00	13.69	24.50	26.00	28.50	39.00	30.75	25.62	30.87	64.12	43.80	32.70
January	35.88	13.00	23.50	28.00	32.00	39.00	31.00	26.12	32.30	69.00	43.00	35.00
February	30.75	13.81	22.00	27.00	34.50	33.00	30.00	25.50	30.75	75.75	39.00	35.00
March	23.75	14.62	21.50	24.00	33.50	34.00	30.00	29.00	32.50	80.50	38.00	35.00
April	24.00	13.81	23.25	21.50	31.50	35.00	30.00	29.50	34.31	69.00	35.25	34.00
May	23.00	17.25	21.50	19.25	31.00	37.50	30.00	29.00	47.12	70.45	33.50	34.00
June	23.00	18.69	18.50	18.00	30.00	36.00	29.00	27.50	49.25	61.00	29.20	—

COTTON

PAKISTAN is recognized as the ancient home of cultivated cotton which was spun here into yarn even in pre-historic times. Archaeological excavations at Moenjo Daro, which flourished between 3,300 B.C. and 2,700 B.C. have revealed that the small pieces of fabrics discovered there were made of indigenous cotton. The yarn used was up to 34 counts. These fabrics had 60 ends and 20 picks per inch—a creditable achievement of the craftsmen and proof of the durability of the material used. The stories of Dacca weavers bringing out very fine *muslin* are well-known. The indigenous cottons used had staple hardly an inch long, yet the weavers were able to spin it up to 250 counts.

The story of modern cotton in Pakistan began with the 20th century when successful attempts were made to acclimatize American upland seeds in the canal irrigated areas of West Pakistan and the cultivation of American type, commonly known as Punjab American, was taken up on a commercial scale. The improvement in the quality of cottons, grown in the Indus Basin, by research, irrigation and improved agronomical practices, has indeed been remarkable. A number of varieties have been developed and are now cultivated extensively, *viz.* L.S.S., 289-F and its further selections 4-F and 199-F, Sind Sudhar, M-4 etc. These American varieties have taken to the soil and climate well in about 40 years and now nearly 87 per cent of the area and 90 per cent of the production of cotton consist of these varieties. Endeavours to improve the quantity and quality of cotton, however, continue and promise the development of new and better strains. These varieties are now grown in well defined zones. With suitable soil and climate and with effective control measures taken by the Government, they have attained a high order of purity.

Cotton is grown in a well defined belt, north to south along the Indus Basin of West Pakistan.

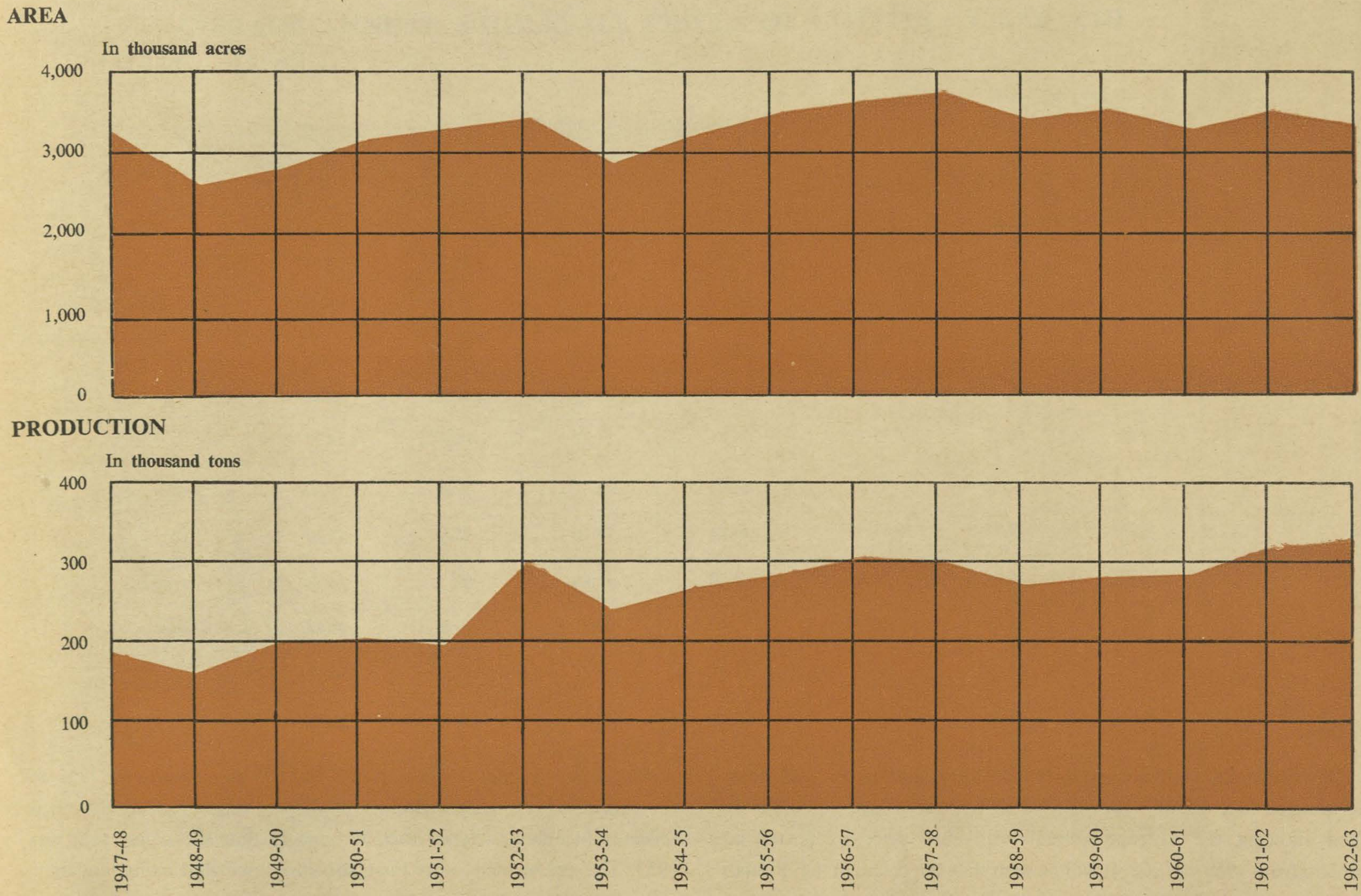
At the time of Independence, the area under cotton cultivation was 3.1 million acres. It has, since then, ranged between 2.65 million acres (1948-49) and 3.64 million acres (1957-58). Average for the first 10 years (1947-48 to 1956-57) comes to 3.17 million acres, which is slightly less than the 10-year average of pre-Independence period of 3.38 million acres. Production of cotton lint during 1947-48 was 1.12 million bale (392 lbs. each) and has fluctuated between 0.98 million bale (1948-49) and 1.8 million bale (1952-53). Cotton has, however, recorded a break-through in 1961-62, when the production touched the figure of 1.84 million bale. Another bumper crop is expected during 1962-63, when the harvest may cross the 2-million bales mark.

Graph on the opposite page shows the acreage and production of cotton.

The average yield per acre in West Pakistan is 180 lbs. as against 131 lbs. in East Pakistan.

It may be stated that the export of cotton has declined from Rs. 962 million in 1951 to Rs. 104 million in 1961, largely due to increased internal consumption.

AREA AND PRODUCTION OF COTTON



PRICES OF COTTON

THE price trend in the case of raw cotton has more or less been the same as that of raw jute. On the opposite page, a table is given showing the average annual wholesale price of cotton at Karachi from 1950 to 1962. It will be seen that the prices of 4-F Punjab Roller declined from a peak of Rs. 112.87 per maund in 1951 to Rs. 68 in 1959 showing a decline of 40 per cent. Similar decline is reflected in other varieties also. It appears that the worst year was 1953. The prices have, since then, shown a somewhat rising tendency.

AVERAGE ANNUAL WHOLESALE PRICES OF COTTON AT KARACHI

(In rupees per maund)

Year	*4-F Punjab R.G.*	*LSS Punjab R.G.*	*NT Sind R.G.*	*289-F Punjab R.G.*	*Sind Desi*	*Punjab Desi*	*Index of price April 1948 March 1949 =100*
1950	83.25	84.50	—	86.50	77.75	76.62	—
1951	112.87	117.75	—	123.19	92.62	90.44	—
1952	86.50	87.69	82.25	90.87	74.37	70.69	111.6
1953	56.81	60.62	63.56	67.06	68.37	65.50	82.4
1954	71.87	75.06	76.12	78.69	75.75	72.75	98.6
1955	69.87	75.62	77.56	79.56	64.37	58.31	95.0
1956	80.12	83.25	84.69	88.81	89.87	83.50	110.6
1957	79.44	82.50	84.31	87.00	84.06	79.31	108.7
1958	69.94	72.94	76.69	81.94	66.00	63.00	95.3
1959	68.00	69.62	71.25	74.25	76.12	66.81	92.5
1960	82.12	85.81	85.06	91.12	89.69	85.56	113.0
1961	83.12	85.49	89.11	92.23	87.85	85.20	114.2
1962	77.50	78.81	82.45	89.04	70.10	66.56	103.7

TEA

ACCORDING to Chinese legend, tea was first used as a beverage as long ago as 5,000 B.C. It is also reported to have been brought to China from India. Tea was found growing in the Brahamaputra Valley in India at the time the British East India Company started taking interest in its cultivation in the Indo-Pak sub-continent. It appears that Europe got acquainted with it late in the 15th century by which time the seafaring Portuguese had established maritime communications with China. Until about 1830, all the tea supplied to Europe came from China and Japan (mainly of Chinese origin). The British East India Company then got interested in its plantation in India and experiments were carried out in Assam. The tea industry gradually developed to the present level. The first tea estate of Pakistan, Malinichira, near Sylhet was, however, established in 1854. In earlier times, tea is reported to have been used in quite interesting ways. Some boiled it, drained off the water and consumed the leaves as vegetable. Its uses and taste, however, developed gradually.

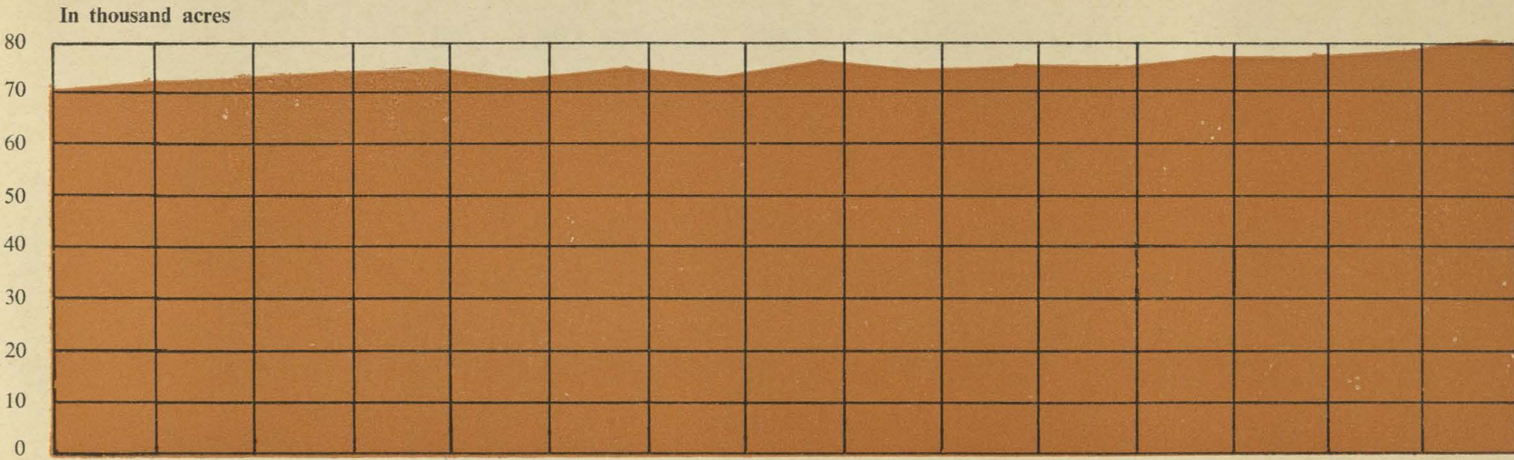
The acreage under tea in almost all the major tea producing countries of the world *viz.*, Pakistan, India, Ceylon, Indonesia and Africa, has been regulated by the International Tea Agreement that came into force in 1933. The Agreement aimed at restoring equilibrium between supply and demand after the world tea crisis of early thirties. The Agreement was first concluded among three countries, India, Ceylon and Indonesia in February 1933. The area under tea and its export from these countries was regulated for a period of five years. An International Tea Committee was set up in London with specific powers and authority. The Agreement was renewed for varying periods until 1950 after which it has not yet been renewed or extended. An important provision of the Agreement, as renewed in 1950, was that each of the participating countries was to be allowed to extend the area by 5 per cent and to replace the old areas by 10 per cent of the total permissible acreage as on March 31, 1950. The permissible acreage in each country as in force at that time was:

India	806,728 acres
Ceylon	588,227 ,,
Indonesia	539,772 ,,
Pakistan	83,756 ,,

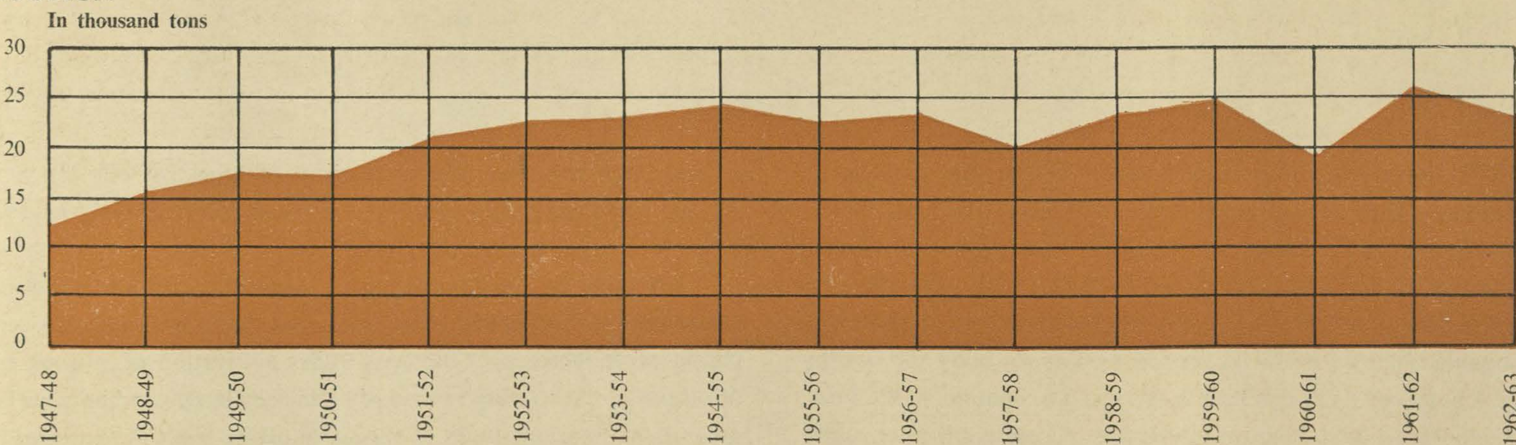
World acreage under tea has increased considerably since World War II. Tea plantation had suffered considerable setback during the war in many of the producing countries. In Pakistan, however, acreage under tea has shown some change since 1947, and possibilities for further expansion are being explored. Area under tea in the principal producing countries together with area and production of Pakistan are given on the opposite page.

AREA AND PRODUCTION OF TEA

AREA

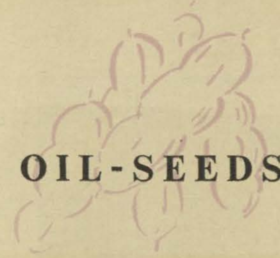


PRODUCTION



AREA UNDER TEA IN MAJOR PRODUCING COUNTRIES IN 1960 (000 acres)

India	818	Formosa	120
Pakistan	78	Japan	120
Ceylon	582	Argentina	74
Indonesia	175	Soviet Union	159



OIL-SEEDS

OIL-SEEDS occupy an important position among the agricultural commodities. The oil extracted from the seeds is used largely for edible as well as for industrial purposes. It is used as a medium of cooking as oil and as hydrogenated *vanaspati ghee*. Oilcakes, *i.e.* solids after the extraction of oil are used as animal feed, manure etc. A reasonable quantity of fat is needed by human body for healthy growth. A balanced daily diet here is supposed to contain about 3 ozs. of fat, including at least 2 ozs. of visible fats. At present the per capita intake of visible fats—milk, *ghee*, animal fat and vegetable oils—in West Pakistan is estimated at 0.98 oz. which is less than one-third of the standard need. The availability in East Pakistan is still less.

In West Pakistan, vegetable oils are estimated to provide 52 per cent of the fat consumed by the people—milk *ghee* 40 per cent and animal fat 8 per cent. The production of vegetable oils can be increased more easily and speedily and so an increase in the supply of edible oils is of special significance.

The table on the opposite page shows the area and production under principal oil-seeds. It may be noted that while there has been a considerable increase in the area under cultivation of various types of oil-seeds, the country is seriously deficient in fats and imports large quantities of various types of vegetable oils to meet the requirements of its increasing population.

The present production of oil-seeds stands at about 1 million tons against the estimated requirements of 1.50 million tons, thus showing a shortage of at least 0.5 million ton.

AREA AND PRODUCTION OF OIL - SEEDS

Area : '000' acres

Production : '000' tons

Year	Rapeseed & mustard		Sesamum		Cotton seed		Linseed		Groundnut	
	Area	*Prod.*	*Area*	*Prod.*	*Area*	*Prod.*	*Area*	*Prod.*	*Area*	*Prod.*
1947-48	1,491	250	203	37	3,112	392	74	13	4	1
1948-49	1,581	268	172	29	2,654	344	74	12	4	1
1949-50	1,384	228	180	27	2,799	439	80	13	12	2
1950-51	1,628	285	202	35	3,071	498	67	11	6	1
1951-52	1,867	297	206	35	3,375	495	69	12	7	1
1952-53	1,561	228	208	36	3,480	630	71	12	8	1
1953-54	1,581	263	216	36	2,928	505	82	15	10	2
1954-55	1,796	321	212	36	3,194	560	76	14	10	2
1955-56	2,010	324	211	37	3,529	593	75	13	14	8
1956-57	1,830	315	214	33	3,608	604	69	12	21	12
1957-58	1,745	296	188	27	3,641	603	31	5	25	12
1958-59	2,047	373	198	34	3,324	561	93	15	38	20
1959-60	1,965	318	218	34	3,370	580	85	15	51	19
1960-61	1,791	308	211	31	3,242	599	36	6	58	18
1961-62	1,704	305	250	37	3,488	644	N.A.	N.A.	56	N.A.

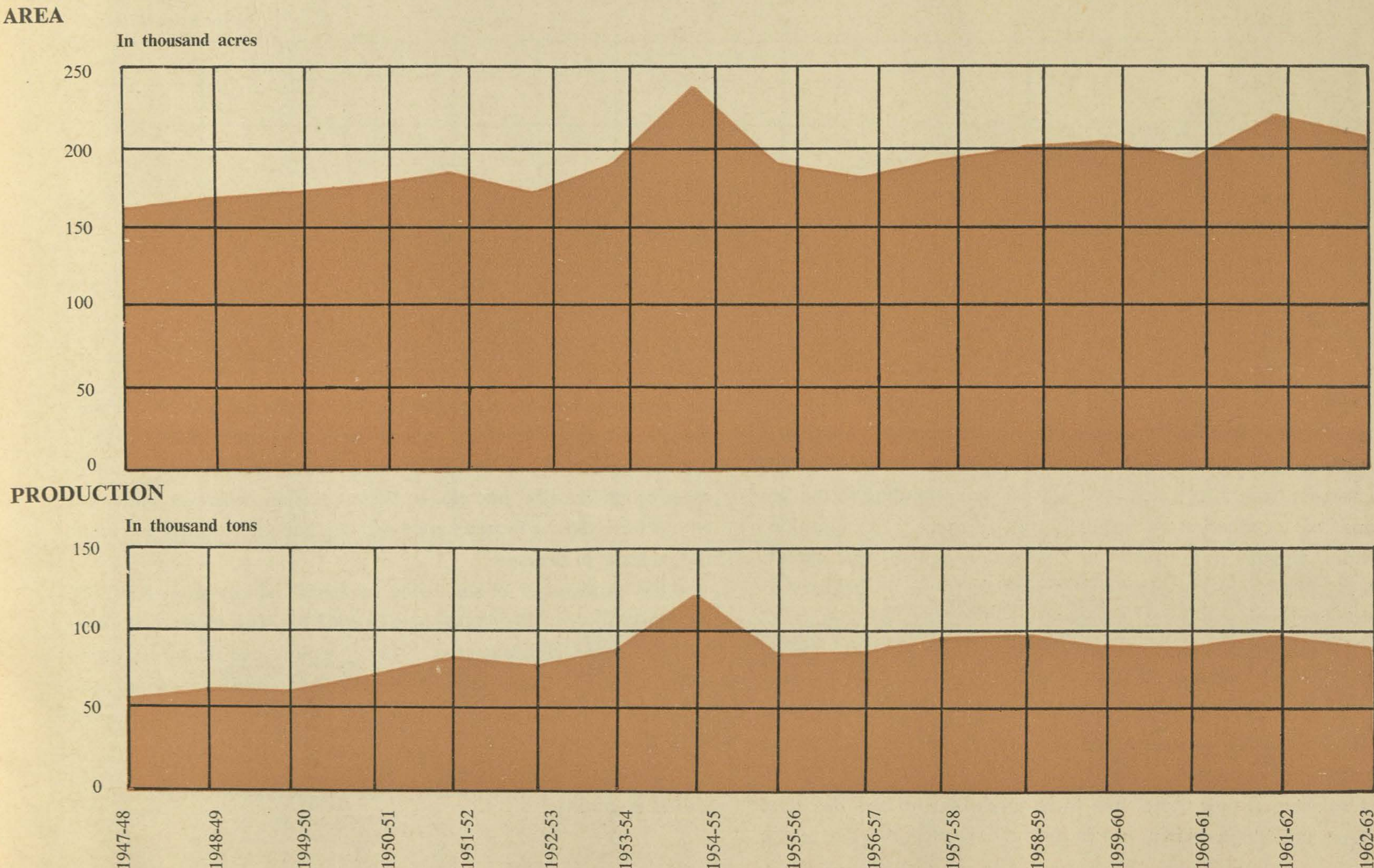
TOBACCO

In the Indo-Pakistan sub-continent tobacco was introduced by the Portuguese in the days of Akbar, the Great. Its popularity is mainly due to its habit-forming effects which are associated with nicotine and its sister alkaloid compounds. It may also be due to the belief that it possesses medicinal properties.

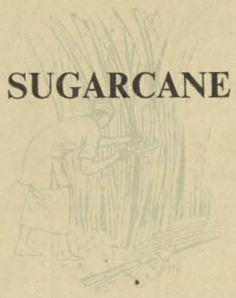
Capable as the tobacco plant is of adapting itself to a very wide range of soil and climatic conditions, its cultivation is undertaken in practically all parts of the country, from hilly and arid lands of north-western to the sandy southern region of West Pakistan and the rain-drenched and riverine areas of East Pakistan. As the commercial importance of the produce is greatly influenced by soil and climatic conditions, cultivation of different types is concentrated in distinct areas. In the north-western and eastern parts of West Pakistan Virginia type tobacco is now being grown. Cultivation of Virginia tobacco in Pakistan has increased with the development of cigarette industry since Independence. Tobacco is now an important cash crop and its progress in acreage, production and quality for cigarette making has been remarkable.

The graph on the opposite page shows the area and production of this crop.

AREA AND PRODUCTION OF TOBACCO



SUGARCANE



SUGARCANE is at present the most important source of sugar in this country. Its rival, the sugar beet, is still not fully established in Pakistan. Judging by the recognized standards of consumption which varies from 2 to 6 ozs. per head per day according to the age groups, the production of sugar is not adequate. The question, therefore, remains how to step up production and to what extent. Of late, considerable progress has been made to set up industry to manufacture white sugar in the country.

The area under sugarcane has increased from 690,000 acres in 1947-48 to 1,388,000 acres in 1961-62, showing 100 per cent increase.

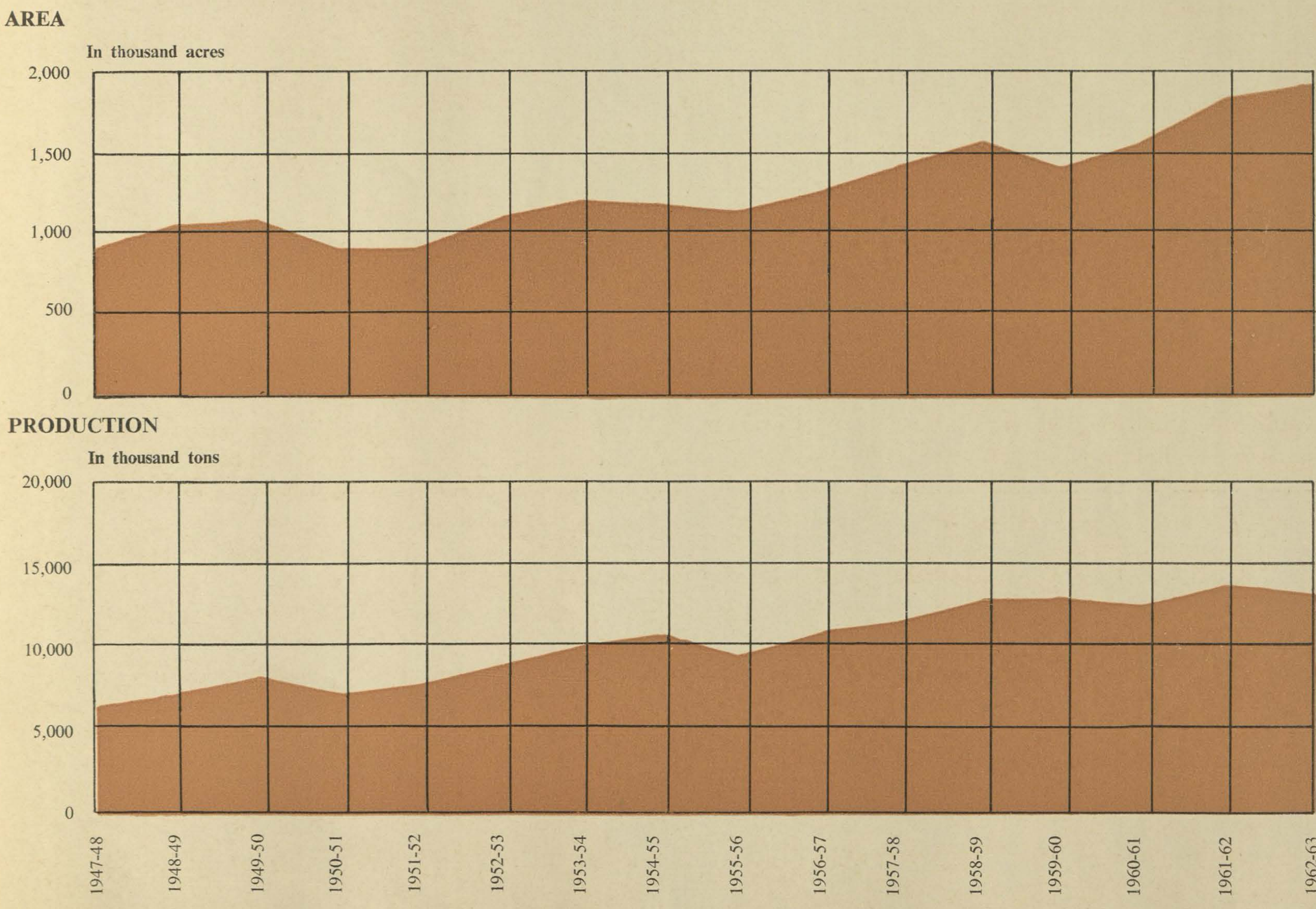
The area under sugarcane has increased rapidly in both wings of Pakistan since Independence. The rapid development of the sugar industry is primarily responsible for this increase. The area in West Pakistan is now more than three times that in East Pakistan.

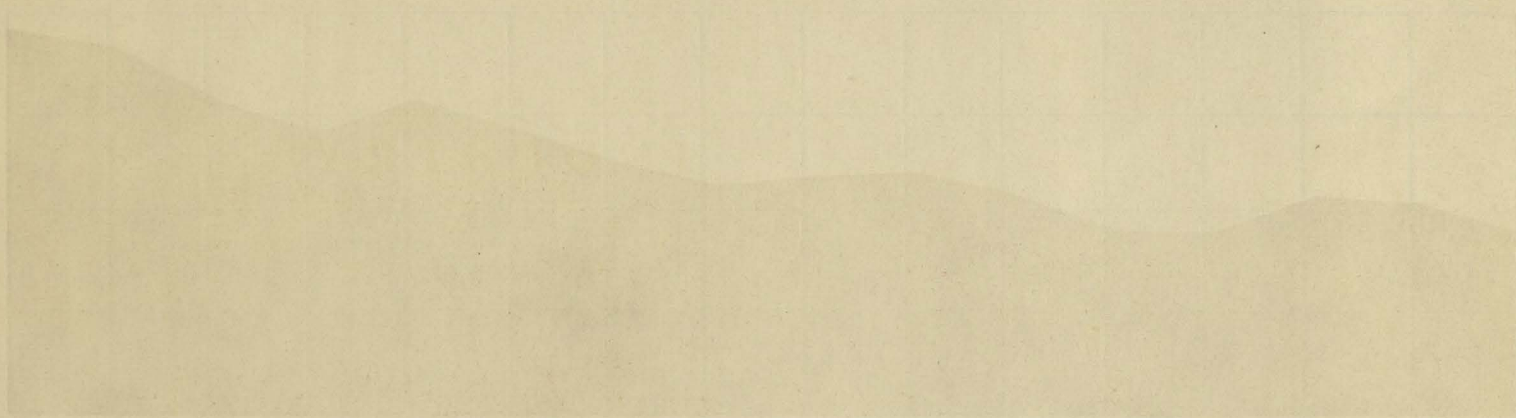
The largest area sown was in 1961-62. During the last twelve years ending 1960-61, expansion has been more rapid in West Pakistan where it was 125 per cent against about 9 per cent in East Pakistan. The cultivated area in East Pakistan is limited due to competition of other crops like rice, jute etc. In West Pakistan, wherever water and labour for intensive farming are available, there is considerable scope for increase in acreage.

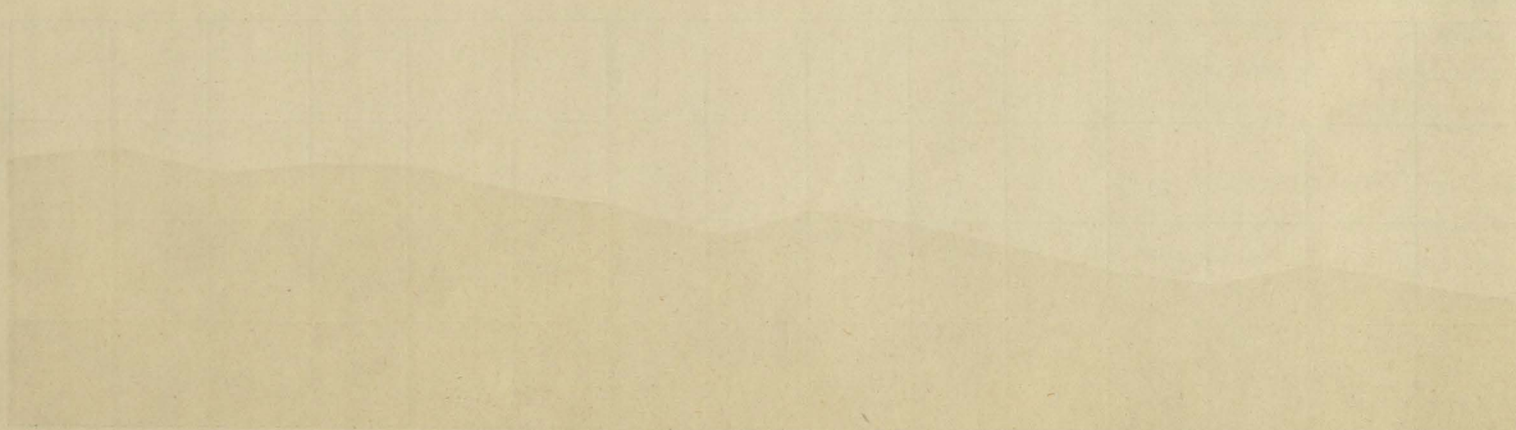
The production of sugarcane increased rapidly from 8,982,000 tons in 1947-48 to 18,548,000 tons in 1961-62. The increase in West Pakistan was significant after 1952-53, mainly due to an expansion of the area under sugarcane. Application of chemical fertilizers and vigorous plant protection measures also contributed to the increase in production.

On the opposite page the area and production of this crop are shown in graphs.

AREA AND PRODUCTION OF SUGARCANE







INDUSTRY

INDEX OF INDUSTRIAL PRODUCTION

PAKISTAN'S economy at the time of Independence was predominantly agricultural and there were very few organized industries. The Government, from the very beginning, paid active attention to industrialization, and efforts were made to provide basic facilities to the industrialists. However, because of the shyness of private enterprise, and technological difficulties, the process of development in the beginning was extremely slow. Very few industrial units were set up in the first three years. Even up to 1952, the pace of industrialization was relatively slow. After that, due to the establishment of Pakistan Industrial Development Corporation, improvements in basic facilities and liberal tax concessions, the industrialization started gathering momentum. The table on the opposite page shows the index of industrial production from 1950 to June 1962. This series of index of industrial production has been discontinued after June 1962 and replaced by a more representative index with 1959-60 as the comparison and weighting base and a larger coverage of items. According to the new indices, the index of industrial production rose from 107.8 in 1960-61 to 119.2 in 1961-62 and further to 134.6 in the quarter October-December 1962.

INDEX OF INDUSTRIAL PRODUCTION

Year	Base: 1954=100		
	Mining	*Manufacturing*	*Industrial production (mining and manufacturing)*
1950	66.7	37.7	39.5
1951	72.4	46.6	48.2
1952	89.1	58.6	60.5
1953	98.5	76.3	77.7
1954	100.0	100.0	100.0
1955	105.9	126.9	125.6
1956	123.3	143.9	142.6
1957	128.6	152.4	150.9
1958	146.3	162.4	161.4
1959	151.9	181.9	180.1
1960	178.9	192.4	191.6
1961	198.7	203.5	203.2
1962 (Jan.-June) (*a*)	211.0	228.0	227.0

(*a*) Provisional. This series has been discontinued after June 1962.

INDUSTRIAL PRODUCTION

AT the time of establishment of Pakistan in 1947, there was very little manufacturing industry. Of the total 14,569 industrial establishments in the British India in 1947, only 1,406 industrial units were located in areas which formed Pakistan. The lack of manufacturing capacity was highlighted by the fact that while the population in areas forming Pakistan was about 20 per cent of undivided India, the manufacturing capacity (1,406 units) located in Pakistan was barely 10 per cent. To make the situation worse, Pakistan lacked all sorts of industrial credit facilities, technical and technological institutes and research laboratories.

The Government in order to achieve a reasonable measure of economic security, framed a new industrial policy replacing the pre-Independence one. This new policy entitled the Central Government to own and operate the following industries.

1. Manufacture of arms and ammunitions of war,
2. Generation of hydro-electric power, and
3. Manufacture of railway wagons, telephones, telegraphs and wireless apparatus.

The rest of the industrial sector was left to private enterprise. In July 1951 the Government drew up a Six-Year Plan (1951-57), in which the industrial sector had a fair share. On this plan was later superimposed a Two-Year Priority Programme which had as its aim the achievement of self-sufficiency in respect of certain goods of basic needs, such as textiles, etc.

The progress still seemed to be below the required mark. The indigenous capital was proving very shy; firstly, because there was no tradition of industrialization and the profits seemed uncertain; secondly, commercial sector was yielding big and quick dividends, without locking the much needed capital for a longer period. The Government had, therefore, to enter the private sector. A semi-public organization, namely, Pakistan Industrial Development Corporation, was set up. The aim of the Government was to enlist participation of private capital in conjunction with public funds. This procedure provided the necessary incentive. In addition, the Government also provided tax concessions and credit facilities to industries by setting up Pakistan Industrial Finance Corporation (now Industrial Development Bank of Pakistan) and Pakistan Industrial Credit and Investment Corporation. From then on, the story of industrial sector is one of steady upward progress.

The progress of some individual industries like cotton and jute textiles, cement, sugar, cigarettes etc. has been quite remarkable as shown in the table on the opposite page.

It will be seen that the production of cotton cloth increased from 88 million yards in 1948 to 725 million yards in 1962, showing an increase of 724 per cent. In 1947, no cotton yarn for sale was produced by any of the mills in the country. Production of yarn for the market started only in 1953 when the production was 120.6 million lbs. which increased to 432.2 million lbs. in 1962 or by 258 per cent.

Production of jute manufactures did not start until April 1952, and since then has shown a phenomenal rise and it now rivals cotton manufactures in our export list.

In 1948, Pakistan produced only 30,000 tons of sugar and was heavily dependent on imports. By 1962, the production increased to 184,600 tons, showing an increase of 515 per cent. Similar progress has been witnessed in regard to other industries.

INDUSTRIAL PRODUCTION—SELECTED ITEMS

Year	Cotton cloth (Million yards)	Cotton yarn (Million lbs.)	Jute manufactures (Thousand tons)	Cement (Thousand tons)	Sugar (Thousand tons)	Cigarettes (Million nos.)	Tyres & tubes (Thousand nos.)	Hydrogenated vegetable oil (Thousand tons)
1948	88.1	29.7	—	324	30.4	—	—	0.3
1949	92.4	33.9	—	422	38.6	241	13	2.5
1950	106.3	43.1	—	413	32.7	1,488	112	4.2
1951	127.7	53.4	—	499	42.8	2,716	621	6.0
1952	174.2	69.7	9.7	530	64.0	3,170	776	8.0
1953	251.6	120.6	44.1	595	85.7	3,996	1,376	10.8
1954	345.2	192.4	53.3	671	75.5	4,588	1,902	11.1
1955	453.2	274.5	103.2	681	95.1	4,833	2,035	14.5
1956	500.4	300.7	142.4	773	107.7	5,343	2,187	16.7
1957	527.0	315.9	148.8	1,078	111.5	6,481	2,651	18.0
1958	576.2	345.1	172.1	1,072	162.6	7,468	2,705	20.4
1959	618.5	392.1	232.6	986	167.2	8,771	2,778	27.1
1960	628.8	408.7	264.7	1,120	145.4	9,946	2,951	34.3
1961	699.0	412.6	250.4	1,223	123.4	12,065	3,982	45.2
1962	725.2	432.2	286.4	1,373	184.6	13,696	4,590	62.7



LABOUR FORCE

ACCORDING to the second census which took place in 1961, total civilian labour force was 30.21 million of which over 26.44 million were male and the rest female. Of this, 17.44 million workers were in East Pakistan and 12.77 million workers in West Pakistan.

In Pakistan, most of the labour force is drawn from male population. In 1961, almost 90 per cent of the labour force was male. In East Pakistan, the percentage of male to total labour force was about 85 per cent and in West Pakistan about 91 per cent.

As regards sectoral distribution, agriculture occupied the dominant position in the national economy. About 74.3 per cent of the labour force was engaged in agriculture and allied activities and only 25.7 per cent in other sectors. This percentage in East Pakistan was as high as 85.26 per cent and in West Pakistan it was 59.31 per cent.

DISTRIBUTION OF CIVILIAN LABOUR FORCE BY PROFESSION—1961 CENSUS

(In thousands)

PAKISTAN				EAST PAKISTAN				WEST PAKISTAN			
Total	*Cultivators*	*Other agriculturists*	*Non-agriculturists*	*Total*	*Cultivators*	*Other agriculturists*	*Non-agriculturists*	*Total*	*Cultivators*	*Other agriculturists*	*Non-agriculturists*
3,02,06	2,17,96	6,46	77,64	1,74,43	1,46,04	2,68	25,71	1,27,63	71,92	3,78	51,93
100	*72.16*	*2.14*	*25.70*	*100*	*83.72*	*1.54*	*14.74*	*100*	*56.35*	*2.96*	*40.69*
2,64,43	1,86,78	5,54	72,11	1,48,02	1,22,51	2,02	23,50	1,16,41	64,27	3,52	48,62
100	*70.63*	*2.10*	*27.27*	*100*	*82.76*	*1.36*	*15.88*	*100*	*55.21*	*3.03*	*41.76*
37,63	31,18	92	5,53	26,41	23,53	66	2,21	11,22	7,65	26	3,31
100	*82.86*	*2.46*	*14.68*	*100*	*89.12*	*2.52*	*8.36*	*100*	*68.14*	*2.31*	*29.55*

Note. Figures in italics indicate percentages.

COST OF LIVING

CENTRAL statistical Office collects retail prices from 9 urban centres in West Pakistan and 6 in East Pakistan. The prices are collected on Saturdays by part-time price collectors except in Karachi where prices are collected by whole-time workers. The existing machinery for supervision of prices reported and their quality and accuracy is not very sound. Prices from out-stations are received normally with a time-lag of a week to a fortnight. These prices are compiled and published regularly.

Based on these retail prices, Central Statistical Office at present computes cost of living indices for industrial workers at Karachi, Lahore and Sialkot in West Pakistan, and Narayanganj in East Pakistan. The commodity weights used were derived from the Family Budget Enquiry made in 1944. The following table shows the average monthly income of workers surveyed and the group weights at Karachi, Lahore and Narayanganj.

City	*Average Monthly Family Income*	GROUP WEIGHTS				
		Food	*Fuel & Lighting*	*House Rent*	*Bedding, Clothing & Footwear*	*Miscellaneous*
Karachi ..	Rs. 103/-	57.96	5.06	5.44	7.71	23.83
Lahore ..	Rs. 83/-	59.41	9.61	5.64	10.55	14.79
Narayanganj	Rs. 85/-	75.31	7.85	5.46	5.98	5.40

The table on the opposite page shows the cost of living indices at Karachi, Lahore, and Narayanganj. It will be noted that the cost of living indices show a rather steep rise from 1952-53 which is due mainly to increasing development expenditure and restrictive import policy.

It will be seen that during 1961-62 the highest cost of living was at Karachi (130) followed by Narayanganj (128). Lahore showed the lowest figure at 124. In June 1963, the cost of living at Karachi stood at 131, at Lahore 120 and at Narayanganj 136 compared to 129, 118 and 133 respectively in June 1962.

GENERAL COST OF LIVING INDICES FOR INDUSTRIAL WORKERS

(Base: April 1948-March 1949 = 100)

Year/Month (July-June)	CENTRE		
	Karachi	*Lahore*	*Narayan-ganj*
1949-50 (Average)	97	90	101
1950-51	96	82	99
1951-52	100	93	105
1952-53	107	99	109
1953-54	111	101	102
1954-55	107	96	88
1955-56	107	94	105
1956-57	113	102	109
1957-58	123	111	116
1958-59	118	103	117
1959-60	125	111	123
1960-61	127	118	123
1961-62	130	124	128
1962-63 (June)	128	120	132

CONSUMERS' PRICE INDEX FOR GOVERNMENT AND COMMERCIAL EMPLOYEES (CLERICAL) AT KARACHI

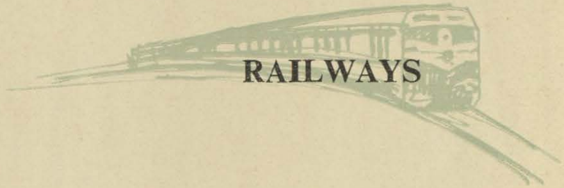
(Base: 1956 = 100)

Year	*General*	*Food*	*Clothing and footwear*	*Housing and household operations*	*Miscel-laneous*
1950	90	92	77(*a*)	91	90
1951	91	94	80(*a*)	91	92
1952	96	103	79(*a*)	93	92
1953	98	102	97	95	94
1954	98	100	96	95	96
1955	97	97	93	96	97
1956	100	100	100	100	100
1957	107	109	119	103	100
1958	110	114	130	100	102
1959	106	114	107	98	98
1960	115	125	127	101	99
1961	116	131	122	102	96
1962	116	131	121	102	97
1963 (June)	121	140	121	102	100

(*a*) Excluding Footwear.

TRANSPORT AND COMMUNICATIONS

RAILWAYS



PAKISTAN is served by all the modern means of communications *viz.* railways, roads, sea, air and telecommunications. Railways and roads are, however, the main arteries of transport.

The Pakistan railways comprise two separate systems. Pakistan Western Railway in West Pakistan and the Pakistan Eastern Railway in East Pakistan. These names were recently substituted for North Western Railway and East Bengal Railway which were the legacy of the undivided India. The Pakistan Western Railway has 5,329 route miles and the Pakistan Eastern Railway 1,712 miles, giving a total mileage of 7,041 for the country. The table on the opposite page shows the progress made by the railways since 1948-49.

The Constitution of 1962 provided for the transfer of control and management of the Railways to the Provinces and the Railways are now managed and controlled by two autonomous Railway Boards—one in each Province.

RAILWAY TRAFFIC DEVELOPMENT

	(a) 1948-49	(b) 1961-62	Percentage increase
1. No. of passengers (million)	139	193	39
2. Passenger miles (million)	6,178	7,431	20
3. Goods traffic carried (million tons)	10	20	100
4. Goods traffic ton miles (million)	2,339	4,859	108

(*a*) April-March.
(*b*) July-June.

ROADS AND ROAD TRANSPORT

THE mileage of roads at the time of Independence was 16,425 of which 5,706 miles were high type motorable and 10,719 miles low type fair weather. In addition, there were *kutcha* roads. The mileage of high type roads has increased to 11,343 (9,510 miles in West Pakistan and 1,833 miles in East Pakistan). The total mileage of both high and low type roads is now 71,321. Out of this, 41,993 miles are in West Pakistan and 29,328 miles in East Pakistan. It may, however, be stated that in East Pakistan 2,700 miles of roads are only tracks which are usable only during the fair weather, while most of the roads in West Pakistan are usable throughout the year. The division of these roads into various categories is shown in a table on the opposite page.

To improve the roads in the country, the Central Road Fund was created in 1949, out of a portion of the Customs and Excise duty on motor spirit. The rate of contribution to the Fund from these Central sources of revenue was initially 2 annas per gallon, but was increased to 5 annas per gallon with effect from 1st April, 1953. Eighty-five per cent of this fund is allocated to the provincial governments according to an agreed formula based on the considerations of area, population, expenditure on maintenance and petrol consumption in each unit. The remaining 15 per cent is retained as a Central reserve to defray expenses on administration, research and special grant-in-aid to other projects connected with roads.

Grants are also made from the Fund for Roads of National Importance which is a special fund set up in 1951-52 out of General Revenues. The fund provides for defraying 50 per cent share of the Central Government in the cost of constructing and improving certain specified arterial roads. An *ad hoc* grant of Rs. 50 million was made in 1952.

In the First Five-Year Plan an amount of Rs. 380 million was allotted for research facilities and procurement of new road machinery. Similarly, in the Second Plan a provision of Rs. 545 million has been made for road programme of which Rs. 250 million each is for East and West Pakistan, and Rs. 45 million for Karachi and special areas. The Central Road Fund and Fund for Roads of National Importance have contributed Rs. 72.5 million and Rs. 13.5 million respectively to the Provincial Governments during the period from 1950-51 to 1961-62 for carrying out the road programmes and to meet the Plan expenditure. These two Funds allotted Rs. 63.9 million during 1962-63 to the provinces to expedite the programmes.

The Second Plan envisaged the construction and improvement of 2,075 and 1,450 miles of roads in West Pakistan and 130 and 740 miles in East Pakistan respectively.

Road transport is a concurrent subject and is governed by the Motor Vehicles Act, 1939 and Rules made thereunder. While railways are the main carriers, the road transport is particularly suited to conditions and requirements of a predominantly agricultural economy. For geographical reasons, road transport plays an important role in the economy of West Pakistan.

There has, therefore, been a large increase in the number of vehicles as shown on the opposite page.

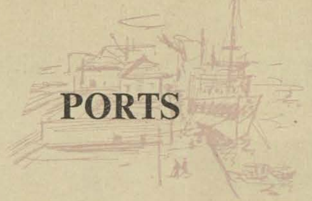
ROAD STATISTICS

	At the Time of Independence			Present		
	High Type	*Low Type*	*Total*	*High Type*	*Low Type*	*Total*
East Pakistan	357	828	1,185	1,833	27,495	29,328
West Pakistan	5,349	9,891	15,240	9,510	32,483	41,993
Total	**5,706**	**10,719**	**16,425**	**11,343**	**59,978**	**71,321**

Number of Vehicles in 1947 and in 1961

	1947	1961 (*a*)
Motor cars	17,275	55,558
Taxis	1,391	4,434
Motor cycles		
(i) Two wheeled	3,816	20,202
(ii) Three wheeled	—	7,767
Buses	5,955	9,753
Trucks	5,620	21,137
Miscellaneous	532	2,500
Total	**34,589**	**121,351**

(*a*) Upto September 1961.



PORTS

PAKISTAN has three excellent ports—Karachi in West Pakistan, and Chittagong and Chalna in East Pakistan.

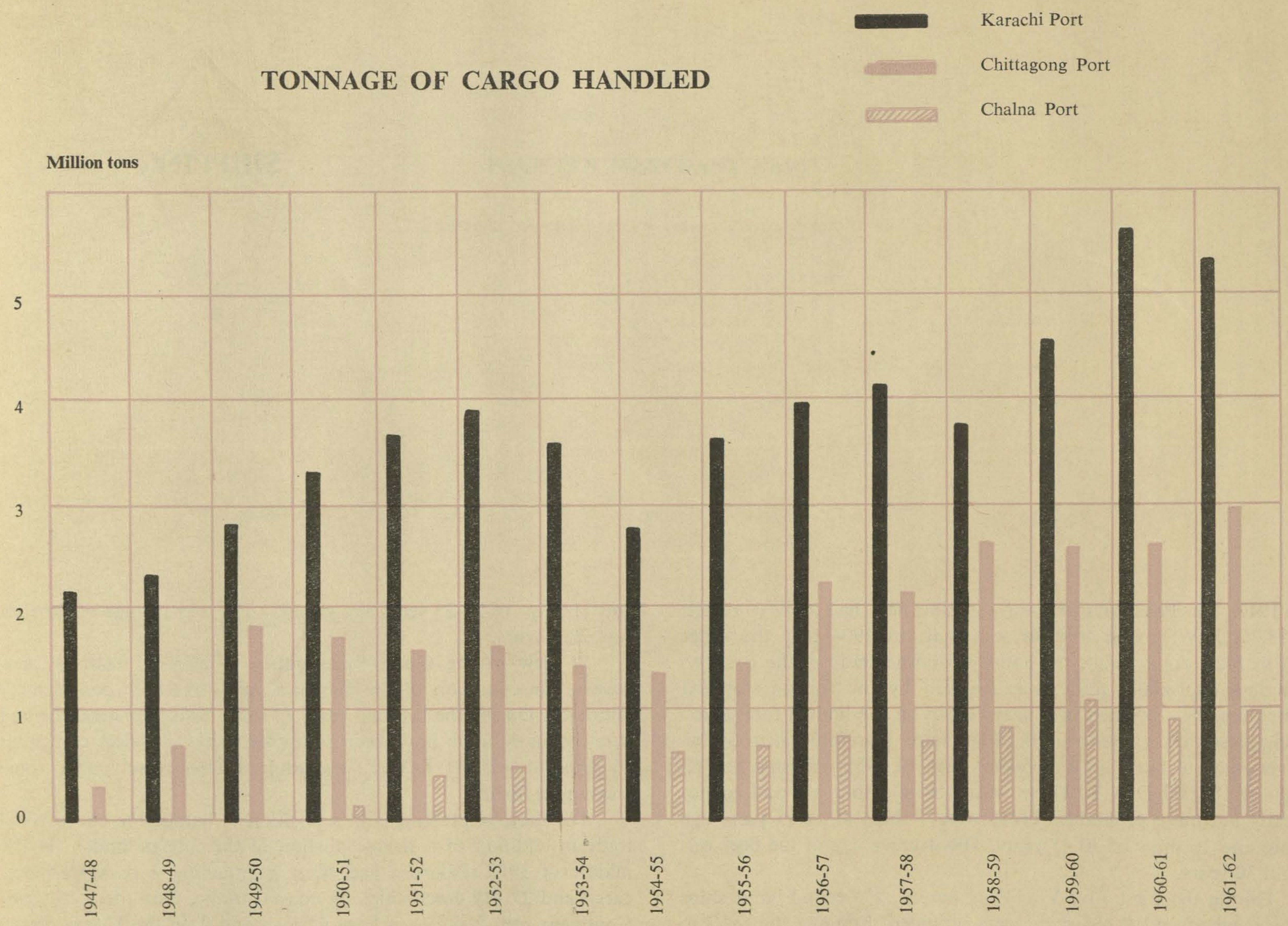
Karachi. In order to increase the traffic handling capacity of the port, it was decided in 1955 to reconstruct, at a cost of Rs. 159 million, the 13 outmoded berths of the 17-berth single quay of East Wharf of Karachi port. The work was completed in 1962, increasing the handling capacity of the port to about 5.25 million tons.

In 1961-62, it handled 5.3 million tons of cargo, as compared to 2.18 million tons in 1947-48.

Chittagong. With the establishment of Pakistan, Chittagong, which was the only port to cater to the needs of East Pakistan, had to be developed. A short-term plan costing about Rs. 10 million, was completed in 1950. The long-term plan, estimated to cost about Rs. 134.1 million was originally intended to develop the handling capacity of the port to 3 million tons of cargo; but was modified to 2 million tons target in view of the development potential of Chalna anchorage. During 1961-62 nearly 3 million tons of cargo was handled through this port, as against only 0.3 million ton cargo handled in 1947-48.

Chalna. The anchorage which was opened for international traffic on December 11, 1950, handled more than one million tons of cargo during 1961-62 as against only 0.4 million ton in 1951-52. To provide further berthing and other facilities, the Government have approved a scheme costing about Rs. 8.17 million.

The chart on the opposite page shows the tonnage of cargo handled at these three ports since 1947-48.


TONNAGE OF CARGO HANDLED
Karachi Port
Chittagong Port
Chalna Port
Million tons
5
4
3
2
1
0
1947-48
1948-49
1949-50
1950-51
1951-52
1952-53
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
1959-60
1960-61
1961-62



SHIPPING

IN 1947, the Pakistan merchant shipping fleet had only 3 vessels of 18,267 D.W.T. One of them was built in 1904 and the other two in 1920. As a result, the entire sea-borne trade of the country, including inter-zonal trade, was handled by the foreign shipping companies. This resulted in a heavy drain on the limited foreign exchange resources of the country. Steps were, therefore, taken by the Government to build up a merchant fleet. In 1955, Pakistan had 23 ships of 184,000 D.W.T. These vessels were rather old and economically not quite profitable. There were 7 ships of 11-15 years age group and 16 ships of 30-45 years. The average age of the fleet was about 30 years.

During the First Five-Year Plan period, 23 second hand ships were acquired and 9 old ships were scrapped, bringing the total to 37 of 295,000 D.W.T. At the end of the First Plan, there were 10 ships of 11-15 years age group, 16 ships of 16-20 years age group and 11 ships of 21-25 years age group. The average age of the fleet was 22.5 years.

In view of the Government policy to acquire relatively new vessels, the condition of the merchant navy has been considerably improved. During the last two years 13 ships have been acquired and 5 uneconomic units have been scrapped. Now, the fleet comprises 45 ships of 405,941 D.W.T., excluding a *Hajj* vessel under construction in Spain.

The fleet, at present, is in a position to handle the entire zonal trade in addition to a sizable portion of the foreign trade. In the middle of 1962, Pakistan had been maintaining 2 passenger-cum-cargo and 27 dry cargo ships on coastal traffic, 6 on the U. K. and Continent run, 2 ships on East African and 2 on the U.S. routes, 2 Pilgrim ships, 2 oil tankers and 2 miscellaneous.

PAKISTAN MERCHANT NAVY

Year	*No. of vessels*	*Dead weight tons*
1947	3	18,267
1955	23	184,000
1960	37	295,000
1962	45	405,941



INLAND WATER TRANSPORT

THE economy of East Pakistan is heavily dependent on water transport. There are some 2,700 miles of perennial navigable waterways in East Pakistan which extend to 4,000 miles during the monsoon. Available statistics show that water transport accounts for about three-fourths of the traffic, a major portion of the rest is carried by the railway and a negligible portion by roads.

The Inland Water Transport Authority was set up by the Government of East Pakistan in November 1958 for the control, maintenance and development of inland water transport and of certain navigable waterways.

A scheme costing about Rs. 1.8 million, for providing aids to navigation, marking, buoying, lighting and charting of navigable waterways of East Pakistan from the industrial centre of Narayanganj to Chittagong and Chalna ports is at present under execution.

The Authority is also carrying out surveys and investigations for the development of terminal facilities at the important river ports of the Province, particularly at Narayanganj, Dacca, Chandpur, Barisal, Khulna and Daulatpur. This will be extended to the ports in due course. The first phase of the scheme will cost about Rs. 18 million.

The Inland Water Transport Authority is assisting the private sector of the industry also. The major steamer companies have been encouraged to push forward their development plans for fleet rehabilitation.

The Inland Water Transport in East Pakistan is in the hands of private companies or operators. The largest of these were the Joint Steamer Companies which were incorporated in England and had been carrying on inland water transport business in the Indo-Pakistan sub-continent for the last one century. After successful negotiations between the Central Government and these companies, a new company incorporated in East Pakistan under the name of Pakistan River Steamers Limited, has started operation from January 1, 1961. The table on the opposite page shows some of the significant statistics of this sector.

SOME FACTS ABOUT INLAND WATER TRANSPORT IN EAST PAKISTAN

1.		Perennial navigable waterways	2,700 miles
2.		Monsoon season navigable waterways	4,000 miles
3.		Percentage of traffic handled by Inland Waterways in East Pakistan	75 per cent
4.	(a)	Estimated number of registered crafts plying in East Pakistan	1,500
	(b)	Carrying capacity (i) Passengers	80,000
		(ii) Cargo	150,000 tons
5.	(a)	Estimated number of country boats plying in East Pakistan	300,000
	(b)	Carrying capacity (i) Passengers	1.5 million
		(ii) Cargo	1.2 million tons

FOREIGN TRADE

PAKISTAN is predominantly an agricultural country. Therefore, its main exports consist of primary products, though lately due to rapid industrialization, considerable leeway has been made in the exports of manufactured goods, especially textiles. Imports are dominated by machinery, industrial raw materials, fuels and manufactured goods. During the last fifteen years (1948 to 1962), Pakistan had favourable balance of trade for six years and unfavourable balance of trade for nine years. Chart on the opposite page shows the trends in foreign trade.

FOREIGN TRADE





MAJOR EXPORTS

TABLE on the opposite page shows the trends in exports of major commodities. This, in turn, indicates the structural changes in the country's economy. Of the traditional exports, only jute occupies the old position and its export, although fluctuating widely, have maintained high levels. Cotton exports have dwindled seriously due to (i) increased domestic consumption, (ii) increased competition in the world market and wide fluctuations in prices. Rice and fish are the only new products which are becoming important. Among manufactures, jute goods and cotton textiles are promising and their exports are on the increase. Pakistan also exports some finished products of small-scale and cottage industries, such as sports goods, carpets and rugs etc.

MAJOR EXPORTS

(In million rupees)

Year	Jute raw	Cotton raw	Jute manu-factures	Cotton manu-factures	Rice	Wool	Hides and skins	Tea	Fish
1951	1,163	962	0.1	0.3	..	59	59	60	13
1952	696	864	0.7	0.7	..	49	30	31	12
1953	571	631	3	0.9	..	51	39	35	15
1954	545	349	17	0.8	..	43	34	47	21
1955	697	403	67	8	..	67	31	34	29
1956	751	364	93	62	..	71	40	54	25
1957	782	322	93	88	..	103	41	23	24
1958	836	240	108	18	2	48	41	33	23
1959	680	121	213	151	52	62	64	29	38
1960	806	211	246	191	52	77	69	10	56
1961	895	104	348	68	95	79	62	11	57
1962 (*a*)	774	187	313	51	116	75	58	16	97

(*a*) Provisional



MAJOR IMPORTS

THERE have also been substantial changes in the composition of the import trade due to the structural changes in the economy. The traditional imports of consumer goods have lately been reduced, while the imports of machinery, spare parts, fuel and raw materials have increased considerably due to rapid industrialization. The imports of foodgrains have increased sharply due to the fast growth of population and relatively slow rise in agricultural production. A table showing the major imports during 1951-62 appears on the opposite page.

MAJOR IMPORTS

(In million rupees)

Commodity	*1951*	*1952*	*1953*	*1954*	*1955*	*1956*	1957	*1958*	*1959*	*1960*	*1961*	*1962(a)*
Cotton yarn and manufactures	567	481	70	84	41	77	21	8	6	7	53	44
Machinery	141	173	119	274	250	183	318	314	339	669	487	922
Grain, pulses and flour	0.347	0.584	1.4	0.319	0.013	1.6	558	494	281	515	475	211
Oils, vegetables and minerals	106	136	104	101	122	107	95	102	219	319	269	245
Iron and steel manufactures	82	156	58	67	99	117	225	236	109	311	415	417
Vehicles	68	84	25	44	49	66	114	128	113	180	239	375
Chemicals and drugs	50	71	25	56	61	74	91	92	85	152	153	132
Miscellaneous manufactured articles	56	58	22	31	37	34	46	37	49	53	18	23
Electric apparatus	29	31	16	21	23	26	67	49	46	97	83	80
Coal	..	..	..	..	..	..	75	66	42	68	46	43
Hardware	31	32	17	15	17	27	38	29	33	66	93	196
Non-ferrous metals and manufactures	11	18	6	10	12	18	36	23	34	51	94	82
Dyes and colours	25	29	12	22	23	28	35	38	24	59	58	62
Rubber manufactures	14	13	6	10	13	29	16	19	22	41	38	39
Paper and stationery	34	36	15	25	16	20	20	17	17	32	27	34

(*a*) Provisiona.

BALANCE OF TRADE

THE table on the opposite page shows the trade balance with other countries. Up to 1955, the balance was generally favourable, but since 1956, it has been invariably unfavourable. The main reasons for this adverse trend are:

(a) Deterioration in the terms of trade due to the wide fluctuations (and general fall) in the prices of exports and steep rise in the prices of imports.

(b) Due to industrialization a considerable part of major exportables is now consumed locally and the surpluses for exports have been reduced. The most important item in this respect is raw cotton.

(c) The rapid industrialization process has necessitated the increasing imports of capital goods, spare parts, raw materials etc.

BALANCE OF TRADE

(In million rupees)

Year	*Exports*	*Imports*	*Balance*
1947 (15th Aug. to 31st Dec.)	186	88	98
1948	1,634	1,033	601
1949	1,479	1,704	—225
1950	1,617	1,332	285
1951	2,525	1,817	708
1952	1,762	2,083	—321
1953	1,453	1,158	295
1954	1,187	1,104	83
1955	1,505	1,087	418
1956	1,620	1,986	—366
1957	1,603	2,096	—493
1958	1,417	1,888	—471
1959	1,527	1,681	—154
1960	1,873	3,112	—1,239
1961	1,905	3,056	—1,151
1962 (*a*)	1,892	3,515	—1,623

(*a*) Provisional.



FOREIGN TRADE IN JUTE AND JUTE MANUFACTURES

AT the time of Independence, Pakistan had no manufacturing capacity for jute goods, and as such, the entire output of raw jute was exported and the domestic requirements of jute goods were met by imports. As this condition was unsatisfactory, the jute industry was established and has since been expanding. Now Pakistan has become an important exporter of jute goods as would be seen from the table on the opposite page.

FOREIGN TRADE IN JUTE AND JUTE MANUFACTURES

(In million rupees)

Year	Imports			Exports		
	Raw jute	Jute manufactures	Total	Raw jute	Jute manufactures	Total
1951	—	16	16	1,163	0.095	1,163.095
1952	—	24	24	696	0.655	696.655
1953	—	1	1	571	3.456	574.456
1954	—	1	1	545	17.380	562.380
1955	—	0.106	0.106	697	67.170	764.170
1956	—	0.043	0.043	751	93.485	844.485
1957	—	0.032	0.032	782	92.624	874.624
1958	—	0.031	0.031	839	108.357	947.357
1959	—	0.171	0.171	680	212.589	892.589
1960	—	0.044	0.044	806	245.510	1,051.510
1961	—	—	—	895	347.554	1,242.554
1962	—	24	24	774	313.006	1,087.006

FOREIGN TRADE IN COTTON AND COTTON MANUFACTURES

PAKISTAN had a small cotton textile industry at the time of Independence. It was not adequate to meet the domestic requirements of cotton yarn and piece goods. Most of the requirements had, therefore, to be met through imports and the major portion of raw cotton output was exported. From 1953 onwards, the textile industry has been developing and the country is now not only meeting most of her requirements through domestic production, but is also exporting fair quantities of yarn and cloth to other countries. While the imports of cotton manufactures have been reduced, the exports of raw cotton have fallen steeply.

FOREIGN TRADE IN COTTON AND COTTON MANUFACTURES

(In million rupees)

	Imports			Exports		
Year	*Raw cotton*	*Cotton manufactures*	*Total*	*Raw cotton*	*Cotton manufactures*	*Total*
1951	5	567	572	962	0.3	962.3
1952	4	481	485	864	0.7	864.7
1953	4	70	74	631	0.9	631.9
1954	3	84	87	349	0.8	349.8
1955	13	41	54	403	8	411.0
1956	0.4	77	77.4	364	62	426.0
1957	30	21	51	332	88	420.0
1958	11	8	19	240	18	258.0
1959	9	6	15	121	151	272.0
1960	6	7	13	211	191	402.0
1961	9	53	62	104	68	172.0
1962	38	44	82	187	51	238.0

DIRECTION OF FOREIGN TRADE

THE table on the opposite page shows the direction of foreign trade in 1959 to 1962. From the table, it would be seen that the major importers of Pakistan goods and commodities are the United Kingdom, the United States of America, Japan, Hong Kong and West Germany. On the other hand, the important exporters to Pakistan are the United States of America, the United Kingdom, West Germany, Japan and India.

The trade relations with other countries are based on the following economic factors:

(a) Trade relations inherited from the pre-Independence days such as those with the United Kingdom and Japan.

(b) Trade relations emerging out of the structural changes in the economy and the development of markets such as Hong Kong and South Africa for the newly manufactured goods.

(c) Trade relations developing because of foreign economic aid and loans such as those with the United States of America and West Germany. To these might also be added the increased imports on account of growing developmental activities in the country.

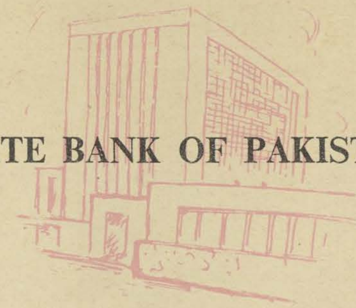
DIRECTION OF FOREIGN TRADE

(In thousand rupees)

Country	1959		1960		1961		1962 (*a*)	
	Imports	*Exports*	*Imports*	*Exports*	*Imports*	*Exports*	*Imports*	*Exports*
Total	**1,681,031**	**1,527,126**	**3,111,922**	**1,873,173**	**3,056,317**	**1,904,999**	**3,514,908**	**1,892,044**
Australia	16,548	31,151	67,803	45,732	35,539	61,525	30,494	49,937
Belgium Luxemburg	42,443	64,832	80,029	68,526	98,794	107,308	34,373	98,325
Ceylon	13,347	23,285	22,254	22,424	27,310	21,333	24,808	18,983
China (Mainland)	20,060	3,103	19,140	70,507	17,014	47,666	20,211	7,839
Czechoslovakia	9,988	8,792	14,676	17,266	9,119	21,373	7,611	9,463
Egypt	273	4,390	2,637	25,956	4,831	35,059	2,459	15,848
France	37,677	64,907	122,798	78,026	53,263	79,010	51,893	80,152
Germany, West	183,728	90,344	281,075	85,161	268,787	103,545	330,046	90,276
Hong Kong	2,883	110,231	4,953	101,395	8,737	48,278	9,445	40,728
India	68,091	48,460	113,700	130,487	120,760	113,393	104,231	189,322
Italy	43,507	45,902	109,342	46,887	103,850	40,893	85,560	44,583
Japan	97,514	126,231	263,524	135,321	249,722	118,450	277,418	118,976
Netherlands	36,140	35,497	57,970	36,997	57,068	39,724	52,491	35,431
Poland	3,371	20,227	9,925	35,398	4,486	35,270	23,546	23,751
United Kingdom	296,132	280,827	544,694	325,329	608,320	271,050	627,259	328,991
Union of South Africa	11,528	83,073	15,753	78,498	6,303	83,850	10,392	87,066
U. S. A.	398,644	158,267	772,246	163,234	755,224	188,114	334,329	172,952
U. S. S. R.	3,791	16,847	25,398	20,969	18,231	15,576	22,107	17,520
All other countries	395,366	310,760	584,075	385,060	608,959	473,582	466,235	461,901

(*a*) Provisional.

BANKING AND CURRENCY



STATE BANK OF PAKISTAN

THE State Bank of Pakistan, which is an autonomous institution, is the central bank of the country. It was established on July 1, 1948. It has a paid-up share capital of Rs. 30 million. Fifty-one per cent of the shares are held by the Government and forty-nine per cent by the public.

When, on July 1, 1948, the State Bank took over the control of banking functions, there was virtually no credit system in the country. During the period of about one year that elapsed between the emergence of Pakistan and the establishment of the State Bank of Pakistan, the country was almost entirely bereft of banking facilities on account of the suspension of business and large-scale closure of bank offices which were mostly staffed by non-Muslims. The number of scheduled bank offices declined from 631, just before Independence, to 213 immediately thereafter. The situation was particularly grave in West Pakistan where the number of bank offices declined from 487 to 69. By the time the State Bank of Pakistan came into being, there had been further reduction in the number of bank offices which stood at 195 on July 1, 1948. Even out of these, some were transacting only limited business and could not be regarded as full-fledged banking offices. The economic life of the country was seriously dislocated by the sharp reduction in credit facilities. There could be no improvement unless the credit facilities were revived and expanded to meet the urgent requirements of business and commerce. The rehabilitation and development of the country's banking system was, therefore, one of the foremost tasks to which the State Bank had to address itself soon after it was established.

Through its scheme of training banking personnel and actively assisting the setting up of banking and credit institutions, the State Bank has succeeded in developing, within a short period, a sound banking and credit system in the country.

On the opposite page is given a table showing the assets and liabilities of the State Bank, in its Banking Department from July 1948 to the end of March 1963.

LIABILITIES AND ASSETS OF THE BANKING DEPARTMENT

(In million rupees)

Date	LIABILITIES					ASSETS (*c*)				
	DEPOSITS				*Total liabilities or assets* (*b*)					
	Central Government	*Provincial Government*	*Banks*	*Total* (*a*)		*Notes*	*Provincial Govt. debtor balances*	*Loans and advances*	*Investments*	*Other assets*
1948 July 2	666.3	59.8	215.3	1,008.0	1,931.3	21.9	..	0.8	..	1,009.1
1948 Dec. 31	923.0	63.4	147.0	1,168.7	1,226.0	23.5	..	3.7	78.0	5.3
1949 Dec. 30	480.8	112.1	218.7	856.2	936.1	31.9	..	22.4	279.2	28.9
1950 Dec. 29	640.9	32.0	100.0	806.2	891.7	57.4	..	92.5	150.8	43.8
1951 Dec. 28	582.0	54.1	147.5	827.0	928.5	62.3	..	136.5	126.8	64.1
1952 Dec. 26	377.1	8.5	101.3	525.0	621.6	48.0	4.8	225.6	255.0	85.0
1953 Dec. 25	215.5	20.6	110.2	370.6	472.5	42.5	4.2	44.0	287.4	94.4
1954 Dec. 31	173.0	48.8	122.3	406.1	520.3	89.0	..	238.6	115.1	77.4
1955 Dec. 30	151.7	11.2	130.6	512.5	625.7	83.5	10.9	184.4	238.1	97.7
1956 Dec. 28	432.5	7.6	143.7	615.5	785.8	103.3	..	219.0	347.7	106.2
1957 Dec. 27	764.4	..	154.5	1,012.2	1,147.7	70.1	87.6	182.2	684.2	122.3
1958 Dec. 26	821.9	5.0	152.6	1,035.8	1,196.5	76.1	32.8	276.5	593.0	90.6
1959 Dec. 25	114.3	86.2	168.9	1,128.4	1,312.1	79.7	..	198.7	547.8	97.3
1960 Dec. 30	109.4	3.4	188.7	1,397.1	1,599.2	68.2	6.8	581.2	469.8	96.2
1961 Dec. 29	101.9	45.7	197.0	1,430.3	1,654.7	123.3	..	28.2	503.3	114.4
1962 Dec. 28	185.2	183.7	235.0	1,514.3	1,792.1	64.5	..	..	735.3	113.6
1963 Mar. 29	385.8	133.6	260.9	1,604.9	1,879.7	143.3	..	..	563.9	130.4

(*a*) Includes some other deposits.
(*b*) Bills payable and other liabilities not shown separately.

(*c*) Coins and Government treasury bills and balance held outside Pakistan not shown separately.



SCHEDULED BANKS

THE words 'Scheduled Bank' is a terminology peculiar to the Indo-Pakistan sub-continent. It came into current usage with the passing of the Reserve Bank of India Act of 1934, where the banks having paid-up capital and reserves amounting to not less than Rs. 5 lakhs had certain privileges and obligations and were mentioned in a Schedule to the Act. All other banks with a paid-up capital of less than Rs. 5 lakhs were not mentioned and came to be called non-scheduled banks. The same procedure is being followed in Pakistan.

The branch expansion programme of the Pakistani banks has admirably filled the vacuum caused by the large-scale closure of Indian bank offices. In fifteen years, the total number of branches of Pakistani scheduled bank has increased from 23 to 861 at the end of March 1963. The expansion in the business of Pakistani banks has been commensurate with the growth in the number of their offices, as on December 31, 1962, they held 79 per cent of total bank deposits and were responsible for 74 per cent of total bank advances. Two Pakistani banks *viz.*, the National Bank of Pakistan and the Habib Bank (Overseas) Ltd. have also opened branches in foreign countries—the total number of such branches now stands at 9.

The expansion in commercial banking facilities has served to mobilize domestic savings which have been used to meet the growing credit requirements of the economy. Apart from financing of foreign trade and commerce, the commercial banks, in recent years, have played an important part in meeting the working capital requirements of domestic industries. The over-all growth in the deposit resources and loan business of the scheduled banks is given on the opposite page.

We have not dealt with non-Scheduled Banks as in spite of their large number, they play a minor role in the economy of the country. At the end of December 1962 although their total number was 48 their total liabilities, both demand and time, amounted to only Rs. 14.33 million and the total amount of credit provided by them was Rs. 13.55 million only. Moreover, there is a tendency for their number to decrease. In 1960, their number was 95 which declined to 48 in December 1962.

CONSOLIDATED POSITION OF SCHEDULED BANKS

(In million rupees)

Year (Last Friday)	Number of Reporting Banks	LIABILITIES				ASSETS			RESERVES			
									BANK CREDIT			
		Total Demand Liabilities	Total Time Liabilities	Borrowing from State Bank	Cash in Pakistan	Balances with State Bank & other Banks	Call Money	Total Investment	Advances	Bills Purchased & Discounted	Total Statutory Reserves	Excess Reserves
1948 July 2	30	704.3	134.1	..	41.4	221.9	..	..	192.4	5.4	40.9	181.0
1948 December	39	896.5	168.9	..	37.2	137.2	..	..	397.6	12.8	48.2	89.0
1949 December	38	903.1	205.8	..	39.8	210.5	..	..	421.6	23.0	49.3	161.3
1950 December	33	947.8	232.1	..	50.7	92.8	..	..	722.1	48.2	52.0	40.8
1951 December	31	1,212.1	286.6	..	71.6	138.7	..	..	837.0	82.1	66.3	72.4
1952 December	31	1,129.4	270.8	..	60.8	89.9	..	..	677.2	115.0	61.9	28.0
1953 December	32	1,239.6	352.6	..	39.6	95.7	..	..	660.7	120.6	69.0	28.5
1954 December	32	1,250.7	517.8	127.7	54.8	162.1	66.5	720.4	761.1	202.1	72.9	42.5
1955 December	32	1,424.3	558.2	178.4	49.5	167.9	38.0	793.9	997.0	164.8	82.4	51.4
1956 December	30	1,574.1	609.8	214.4	81.0	186.2	115.4	821.5	1,082.2	154.3	90.9	45.9
1957 December	27	1,735.5	674.2	147.1	82.7	170.8	134.8	929.8	1,118.9	149.7	100.3	32.3
1958 December	27	1,890.8	735.3	181.4	85.7	192.4	135.6	1,047.5	1,253.0	205.2	109.2	35.1
1959 December	29	1,977.4	1,045.9	97.5	56.7	197.5	81.0	1,271.8	1,418.7	201.1	119.8	31.2
1960 December	29	2,066.2	1,304.3	411.7	82.5	216.4	203.6	1,339.0	1,854.8	230.0	129.4	34.1
1961 December	31	2,238.9	1,424.7	497.8	111.5	231.7	209.4	1,255.8	2,459.0	265.6	140.9	36.7
1962 December	35	2,636.7	1,925.6	501.8	143.0	269.1	312.4	1,319.8	3,097.6	272.9	170.3	33.1



MONEY SUPPLY

THE table on the opposite page shows that money supply increased from Rs. 2,635 million at the end of December 1948 to Rs. 6,537 million at the end of December 1962, showing an increase of 148 per cent. It may also be noted that during the same period the demand deposits increased from Rs. 892 million to Rs. 2,359 million, showing an increase of 165 per cent.

The process of slowing down of the monetary expansion started after December, 1960 as a result of the various policies which the Government had initiated. But, thereafter, since October 1961, money supply started rising at an accelerated pace keeping pace with the needs of the economy. The net increase since October 1961 up to December 1962 was to the tune of Rs. 761 million.

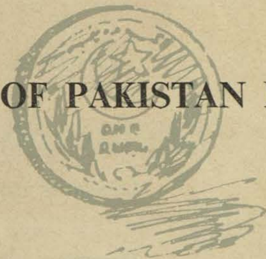
MONEY SUPPLY

(In million rupees)

Last Friday	*Currency in circulation*	*Demand deposits (General)*	*Other deposits with S.B.P.* 1	*Money supply*
December 1948	1,707.9	891.7	35.3	2,634.9
December 1949	1,739.4	886.3	44.5	2,670.2
December 1950	1,991.9	907.2	33.4	2,932.5
December 1951	2,467.4	1,190.3	40.1	3,697.8
December 1952	2,147.7	1,022.7	34.9	3,205.3
December 1953	2,368.7	1,151.4	21.0	3,541.1
December 1954	2,571.4	1,170.4	58.7	3,800.5
December 1955	2,986.4	1,326.3	53.5	4,366.2
December 1956	3,463.0	1,429.7	26.9	4,919.6
December 1957	3,579.9	1,562.1	88.5	5,230.5
December 1958	3,739.0	1,708.6	51.4	5,499.0
December 1959	3,841.2	1,871.3	46.2	5,758.7
December 1960	4,179.3	1,932.8	47.0	6,159.1
December 1961	4,051.2	2,100.0	51.2	6,202.4
December 1962	4,103.3	2,358.6	75.2	6,537.1

1 Excluding I.M.F., Account No. 1, U.S. Counterpart Funds and Indus Basin Accounts.

PAR VALUE OF PAKISTAN RUPEE



The par value of Pakistan rupee, as recognized by the International Monetary Fund in terms of gold, is 0.186621 grams. In terms of the U. S. Dollar, Pakistan rupee is worth 21.00 cents or 4.762 rupees a dollar. A large number of currencies, including pound sterling and Indian rupee, were devalued on September 18, 1949 but Pakistan did not make any change in its par value. It was not until July 31, 1955 that the par value of the Pakistan rupee was changed to above parity.

Between September 18, 1949 and July 31, 1955, the par value of Pakistan rupee in terms of gold was 0.268601 grams. In terms of U. S. dollar, Pakistan rupee was worth 30.225 cents or 3.30852 rupees a dollar.

The table on the opposite page shows the par value of Pakistan rupee and some of the important currencies.

PARITY EXCHANGE RATES
(As on November 15, 1962)

Country	*Currency*	*Currency units per Pakistan rupee*	*Pakistan rupee per currency unit*
Australia	Pound	0.0938	10.6666
Austria	Schilling	5.4600	0.1832
Belgium	Franc	10.5000	0.0952
Burma	Kyat	1.0000	1.0000
Ceylon	Rupee	1.0000	1.0000
Denmark	Krone	1.4505	0.6894
Ethiopia	Dollar	0.5217	1.9167
Finland	Markka	67.2000	0.0149
France	New Franc	1.0368	0.9645
Ghana	Pound	0.0750	13.3333
India	Rupee	1.0000	1.0000
Iran	Rial	15.9075	0.0629
Iraq	Dinar	0.0750	13.3333
Ireland	Pound	0.0750	13.3433
Israel	Pound	0.6300	1.5873
Italy	Lira	131.2504	0.0076
Japan	Yen	75.6001	0.0132
Jordan	Dinar	0.0750	13.3333
Lebanon	Pound	0.4602	2.1729
Libya	Pound	0.0750	13.3333
Luxembourg	Franc	10.5233	0.0952
Morocco	Dirham	1.0627	0.9410
Netherlands	Guilder	0.7602	1.3154
Norway	Krone	1.5000	0.6667

Country	*Currency*	*Currency units per Pakistan rupee*	*Pakistan rupee per currency unit*
Philippines	Peso	0.4200	2.3809
Saudi Arabia	Riyal	0.9450	1.0582
Spain	Peseta	12.6000	0.0794
Sudan	Pound	0.0731	13.6741
Syria	Pound	0.4602	2.1729
Turkey	Lira	1.8900	0.5291
U. A. R.	Pound	0.0731	13.6741
Union of South Africa	Rand	0.1500	6.6667
United Kingdom	Pound	0.0750	13.3333
U.S.A.	Dollar	0.2100	4.7619
West Germany	Deutsche Mark	0.8400	1.1905
Yugoslavia	Dinar	63.0000	0.0159
United Kingdom:			
Bahamas, Bermuda, Falkland Islands, Gambia, Gibralter, Malta, Federation of Rhodesia and Nyasa-land	Pound	0.0750	13.3333
British N. Borneo, Brunei, Sarawak, Sin-gapore	Dollar	0.6429	1.5556
Hongkong	Dollar	1.2000	0.8333
Aden, Kenya, Uganda, Zanzibar	East African Shilling	1.5000	0.6667

PUBLIC FINANCE

FOR purposes of income-tax administration, the country has been divided into three areas which are: East Pakistan, North Zone (West Pakistan) and South Zone (West Pakistan), each under a Commissioner of Income-tax.

The Commissioners of Income-tax are assisted in the performance of their duties by Assistant Commissioners of Income-tax, Income-tax Officers, Examining Officers and Inspectors of Income-tax. Income-tax Officers and Examining Officers are responsible for making assessments and collecting the demand raised against the tax payers.

Tax rates

The table on the opposite page gives the details of tax rates other than taxes on companies and the inter corporate taxes, which are dealt with separately. No tax is levied where the annual income of a tax payer does not exceed Rs. 6,000. In other cases, the following deductions are made from the gross annual income to arrive at the taxable income on which only the tax is computed:

(i)	Personal allowance	Rs. 2,000
(ii)	Earned income relief	
	This is allowed @ 20 per cent of income derived from personal exertion (*e.g.* business or professional income etc.)	Subject to a maximum of Rs. 4,000
(iii)	Investment allowance	

This is allowed @ 20 per cent (30 per cent in the case of premia paid for life insurance) of the total income of the tax payer, subject to an overall limit of Rs. 12,000 in respect of the following:

(a) Contributions to Provident Funds.

(b) Premia paid for life insurance of the tax payer or the spouse.

(c) Investments in lieu of share-capital of approved public industrial or insurance companies.

(d) Investments in Post Office Savings Certificates.

(e) Books of professional or technical nature or of general utility.

(iv) Education allowance.

This is allowed in case of persons whose annual income does not exceed Rs. 25,000 at the rate of Rs. 200 for each child, subject to a maximum of Rs. 600.

(v) Dividend income subject to a maximum of Rs. 1,000

I. RATES OF PERSONAL INCOME TAX—1962-63

Where Taxable Income		Tax Thereon	
Exceeds (a)	*But does not exceed*	*Fixed amount*	*Flat rate on amount exceeding figures in Col.* I
Rs.	Rs.	Rs.	Per cent
—	1,000	25	—
1,000	2,000	25 Plus	2
2,000	4,000	45 ,,	10
4,000	6,500	245 ,,	15
6,500	10,000	620 ,,	20
10,000	20,000	1,320 ,,	25
20,000	30,000	3,820 ,,	35
30,000	40,000	7,320 ,,	50
40,000	60,000	12,320 ,,	65
60,000	No upper limit	25,320 ,,	75

(a) No tax is levied where annual income does not exceed Rs. 6,000 annually.

II. RATES OF TAX FOR A REGISTERED FIRM—1962-63

—	12,000	—	—
12,000	30,000	—	5
30,000	60,000	900 Plus	10
60,000	100,000	3,900 ,,	20
100,000	No upper limit	11,900 ,,	30

NOTE. Partners of Registered Firms (Partnerships) are liable to pay tax on their share of partnership income together with their income, if any, at the rates specified at item (1) above.

TAX ON COMPANIES

THE system of company taxes has recently been changed radically, reducing the impact of taxation on foreign companies. The comparative tables (Tables I—III) on the opposite page show the tax rates in force before June 1960 and after June 1960.

Tax-holiday for new industrial undertakings and hotels. Industrial undertakings established in Pakistan at any time between 1st April, 1959 and 30th June, 1965 have been granted a 'Tax holiday' for eight, six and four years depending on the areas in which they are located. In addition, on the expiry of the period of tax holiday, the industrial undertaking will be entitled to get full depreciation allowance on their full cost of the capital assets (except the special initial depreciation allowance).

Tax on inter-corporate dividend. The rate of tax on inter-corporate profits (*i.e.* dividend income received by one company from another company) has been substantially reduced. In the case of dividends received from industrial companies established after the 14th August, 1947, the tax is leviable at the rate of 10 per cent. Where a limited company receives dividend income from another limited company in which it holds shares, such dividend income is exempt from income tax but is liable to super tax at the rate of 15 per cent or 20 per cent depending on whether the dividend income is derived from industrial or commercial sources. This tax is not payable on bonus shares issued by an industrial company out of its profits which are exempt from tax under the tax holiday clause.

Tax on dividends to shareholders. The dividends received by shareholders are added to their other income, if any, and taxed in the normal way. No tax on such dividends is payable by a company itself. The first Rs. 1,000 of dividend income have been exempted from tax to encourage small investors.

Under the Agreements for the Avoidance of Double Taxation concluded by Pakistan with a number of countries, companies incorporated in those countries receiving dividends from companies in Pakistan are entitled to rebates of tax ranging from 5 to 6.25 per cent. The total tax liability of a foreign investor in the industrial field comes to about 50 per cent if all the profits after payment of taxes are distributed as dividend. Since, however, it is not the normal practice to distribute the entire profits, the actual tax liability would amount to much less than 50 per cent in most cases.

RATES OF TAX

I

RATES OF TAX PAYABLE BY COMPANIES

Nature of Income	*Rates of tax 1959-60 (Figures in brackets relate to companies declaring dividends outside Pakistan)*	*Since 1960-61*
(1) Public companies:		
(a) Commercial profits	60 (65)	50 (60)
(b) Profits from industrial undertakings set up before August 15, 1947	60 (65)	50 (60)
(c) Profits from industrial undertakings set up after August 14, 1947	55 (60)	45 (55)
(2) Private companies:		
(a) Commercial profits	60 (65)	50 (60)
(b) Profits from industrial undertakings set up before August 15, 1947	60 (65)	50 (60)
(c) Profits from industrial undertakings set up after August 14, 1947	55 (60)	45 (55)

II

INCIDENCE OF TAXATION ON FOREIGN COMPANIES (PUBLIC AND PRIVATE) OPERATING IN PAKISTAN THROUGH BRANCHES

Nature of income	*1958-59 per cent*	*1959-60 per cent*	*Since 1960-61 per cent*
1. Commercial profits	66.25 (72.5)*	65	60
2. Profits from industrial undertakings set up before August 15, 1947	66.25 (72.5)*	65	60
3. Profits from industrial undertakings set up after August 14, 1947	66.25 (72.5)*	60	55

*In 1958/59 there were different rates for private and public companies; figures in brackets relate to the latter.

III

RATES OF INTER-CORPORATE TAXES

Type of company from which dividends are received	Before June 1960	As from July 1960
Industrial companies established before Independence	20%	20%
Industrial companies established after Independence but up to 30-6-1959	20%	15%
All commercial companies whether established before or at any time after Independence	20%	20%
Industrial companies established after June 30, 1959	15%	15%

CENTRAL BUDGET

THE Central budget is divided into two main accounts—Revenue and Capital. The revenue account covers current receipts and expenditures. Principal heads of revenue are customs duties, central excise duties, income-tax and corporation tax and sales tax. Other heads under which revenue is realized include utility services like posts and telegraphs, interest receipts and dividends on Central loans and investments, currency and mint, fees from export-import trade, and fees and royalties from natural gas and oil exploration and production. Although the largest single item of revenue is still the customs duties, the rapid structural changes brought about by developing economy have resulted in substantial improvements under other heads also. Collections under income tax and corporation tax and excise duties are gaining importance. These improvements have contributed to better budgets of the Provincial Governments as well. Since the Provincial Governments are now mainly responsible for the economic development in their respective regions, it was felt by the Central Government that greater resources should be placed at their disposal. Under the Finance Commission recommendations made in early 1962 it was decided that from the financial year beginning July 1, 1962, 50 per cent of income tax, 60 per cent of sales tax, and 60 per cent of Federal excise duties on tea, betel nuts, and tobacco and 100 per cent of the export duties on jute and cotton shall go to the Provincial exchequer.

A major part of the revenue expenditure is incurred on the defence services. Other important heads are civil administration and servicing of debt. A sizable amount is also earmarked for development expenditure on social welfare schemes like education, health and community development. In the past, contribution of revenue account to development was negligible because of smaller revenue receipts.

The capital account mainly includes receipts and expenditures of non-recurrent nature. The capital receipts are broadly classified into two categories—internal and external. Internal resources account for receipts from domestic borrowings, public investments in small savings, recoveries of central loans from the Provinces and semi-independent bodies, and sale of capital assets. External resources include foreign loans and grants. Rising national income and public savings and increased availability of foreign economic assistance in the context of the country's economic development are contributory factors to the growing size of capital receipts.

Capital expenditure is broadly divided into development and non-development outlays. Bulk of this expenditure falls in the former category and is mainly on investments in economic development projects—about 50 per cent as loans and grants to the Provincial Governments—and the rest as direct outlays by the Central Government and loans for projects of semi-independent bodies. Non-development expenditure is incurred mostly on repayment of debt and payments for reduction of recurring liabilities like capitalized value of pensions. Capital expenditure in the first few years after Independence, when the country had not yet embarked on planned development, was mostly of non-development nature. But this trend has since been reversed and non-development expenditure now forms only a small proportion of the total capital budget.

OVERALL BUDGETARY POSITION OF THE CENTRAL GOVERNMENT

(In million rupees)

Year (July - June)	REVENUE Receipts	REVENUE Expenditure	CAPITAL: Development Expenditure: Direct	Loans to local bodies	Provincial Governments	Total	Non-development expenditure	Total dev. non-dev.	Financed by Resources: Internal including ad hoc treasury bills & cash balance utilization	External
1947-48	198.9	236.0	8.1	3.3	86.7	98.1	22.4	120.5	120.5	—
1948-49	667.6	647.0	49.6	6.7	144.0	200.3	298.2	498.5	498.5	—
1949-50	885.4	856.0	100.9	16.8	208.1	325.8	738.3	1,064.1	1,064.1	—
1950-51	1,273.2	1,266.2	70.6	8.4	139.6	218.6	280.9	499.5	499.5	—
1951-52	1,448.4	1,442.3	206.6	17.3	145.8	369.7	536.5	906.2	903.9	2.3
1952-53	1,334.3	1,320.1	250.4	19.1	119.0	388.5	475.6	864.1	790.7	73.4
1953-54	1,110.5	1,108.7	255.3	46.7	439.1	741.1	172.1	913.2	893.2	19.7
1954-55	1,172.7	1,172.6	258.2	49.8	268.4	576.4	87.9	664.3	625.5	38.8
1955-56	1,435.8	1,433.4	379.3	38.2	377.1	794.6	—88.0	706.6	692.1	14.5
1956-57	1,331.4	1,330.7	405.3	34.4	340.0	779.7	173.8	953.5	914.4	39.1
1957-58	1,525.0	1,521.8	643.6	82.9	628.2	1,354.7	120.4	1,475.1	1,410.4	64.7
1958-59 (Fifteen months)	1,958.7	1,956.5	829.8	94.6	704.6	1,629.0	97.5	1,726.5	1,093.3	633.2
1959-60	1,887.7	1,733.8	908.5	105.5	563.9	1,577.9	189.8	1,767.7	1,076.6	691.1
1960-61	2,094.7	1,775.7	612.1	56.8	990.4	1,659.3	167.5	1,826.8	826.6	1,000.2
1961-62 (Revised).	2,229.0	1,899.0	836.4	104.6	1,206.1	2,147.1	121.2	2,268.3	1,052.4	1,215.9
1962-63 (Budget)	2,127.5	1,958.8	492.9	35.3	2,309.5*	2,657.7	128.2	2,935.9	605.6	2,330.3

*Including a likely shortfall of Rs. 180 million.

PROVINCIAL BUDGETS

THE Provincial revenues are mainly derived from land revenue, irrigation receipts, allocation of Central revenues and grants from the Central Government. Other important heads are: provincial excise and stamps duties, forests, irrigation, and electricity. In West Pakistan, apart from the share of Central revenues, irrigation receipts and land revenue provide most of the Provincial revenues—the land revenue and Central grants constituting major sources of revenue. There have been significant improvements in the revenue position of the Provinces in the last few years, mainly on account of their own improved revenues and better revenue collections by the Central Government and corresponding higher share to the provinces. The trend has been relatively rapid since fiscal year 1959-60.

Major portion of the Provincial revenues, after administrative expenditure, is spent on social welfare and beneficent departments like education, health and agriculture which is their direct responsibility. With the growing emphasis on economic development, the Provincial Governments are progressively attempting to restrict the non-development and administrative expenditure and to divert maximum resources for beneficent departments and for social and economic development projects. Higher revenue surpluses have enabled them to earmark more funds for financing the capital development expenditure.

The capital expenditure of the provinces is financed both from their own resources and from loans and grants from the Central Government. The latter provide about 80 per cent of the Provincial development outlays. The capital expenditure of the Provincial Governments is also rising rapidly and contributing to the economic growth of the country.

OVERALL BUDGETARY POSITION OF PROVINCIAL GOVERNMENTS

(In million rupees)

Year (July-June)	REVENUE				CAPITAL					
	EAST PAKISTAN		WEST PAKISTAN		EAST PAKISTAN			WEST PAKISTAN		
	Receipts	*Expenditure*	*Receipts*	*Expenditure*	*Receipts*	*Expenditure*		*Receipts*	*Expenditure*	
						Development	Non-development		Development	Non-development
1947-48 ..	97.5	86.7	180.5	241.0	15.1	35.0	(—) 19.9	76.4	51.6	24.8
1948-49 ..	169.1	160.5	279.5	301.3	7.9	11.9	(—) 4.0	26.2	55.4	(—) 29.2
1949-50 ..	144.3	178.6	299.4	307.0	133.1	35.5	97.6	225.7	141.4	84.3
1950-51 ..	182.0	190.3	359.8	329.7	35.4	42.3	(—) 6.8	129.1	157.0	(—) 27.9
1951-52 ..	201.6	227.5	411.5	376.4	61.9	74.4	(—) 12.5	88.4	183.7	(—) 95.3
1952-53 ..	230.1	258.3	386.3	411.0	106.5	129.9	(—) 23.4	203.3	234.7	(—) 31.4
1953-54 ..	230.3	260.2	425.0	447.0	133.5	115.6	17.8	439.4	318.7	120.7
1954-55 ..	244.2	284.7	475.2	435.3	72.2	67.1	5.1	297.7	301.6	(—) 3.9
1955-56 ..	288.3	285.1	510.6	477.3	79.0	62.4	16.7	229.6	338.2	(—) 108.6
1956-57 ..	303.8	338.5	613.1	548.1	195.1	157.3	37.9	255.0	297.3	(—) 42.3
1957-58 ..	314.1	276.3	610.7	614.7	327.2	249.2	78.1	343.7	317.5	26.2
1958-59 .. (15 months)	522.7	521.0	880.9	878.3	177.0	275.1	(—) 39.8	573.4	500.5	72.9
1959-60 ..	397.9	378.9	773.9	694.4	235.8	238.7	(—) 2.9	458.7	423.8	34.9
1960-61 ..	447.7	470.9	828.3	686.6	202.6	361.6	95.8	470.5	504.7	(—) 34.2
1961-62 .. (Revised)	645.0	565.4	933.3	809.6	487.6	506.0	(—) 71.9	1,253.5	1,015.7	237.8
1962-63 .. (Budget)	886.1	746.8	1,159.3	1,086.9	1,092.5	1,147.2	(—) 19.3	2,042.6	1,229.7	814.9

RAILWAY BUDGET

AT the time of Independence, it was decided to merge the Pakistan Railways' finances with the general finances of the country. The main reason for this decision was that in the immediate post-Independence period, the Central Government were not in a position to maintain a separate budget for the Railways with confidence. Reliable figures of actual and approximate expenditure and receipts were not available, and the future of the operations of the Railways was uncertain. Although Railway finances were merged with the general finances, the accounts of the Railways continued to be maintained on a commercial basis.

With effect from 1961-62, the Railway finances have been separated from the general finances. The Constitution of 1956 envisaged transfer of the Railways to the Provinces but this was not given effect to. The new Constitution introduced in June 1962 transferred the control and management of the Railways to the Provinces. It was recognized that the Provincial Governments being largely responsible for the implementation of the development programme of the country needs a hand in the control of the Railways. Besides, the two provincial Railways had quite different problems and, therefore, needed different treatment.

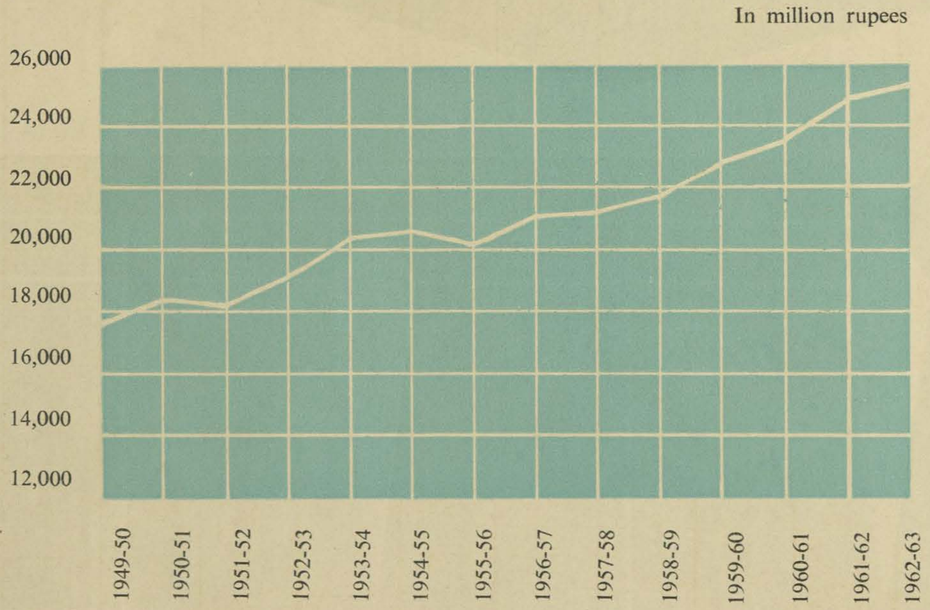
BUDGETS OF THE PAKISTAN EASTERN AND PAKISTAN WESTERN RAILWAYS

(In million rupees)

Head of account	East Pakistan		West Pakistan	
	Revised 1961-62	*Budget 1962-63*	*Revised 1961-62*	*Budget 1962-63*
Total revenue receipts	198.0	208.8	469.4	472.6
Total revenue expenditure	171.4	169.1	356.0	367.1
Surplus	26.6	39.7	113.4	105.5
Contribution to General Revenues	23.3	23.7	45.3	47.2
Net surplus	3.3	16.0	68.1	58.3

Distributed as follows

(a) Additional contribution to Improvement Fund	3.3	3.5	7.5	7.5
(b) Contribution to Railway Reserve Fund	—	12.5	60.6	—
(c) Additional contribution to Depreciation Reserve Fund	—	—	—	50.8



THE national income and the per capita income of Pakistan are one of the lowest in the world. Agriculture is the most important contributing sector. At the same time the development of agriculture has been extremely slow, retarding the increase in national income. Also agriculture is losing ground, although slowly, to other economic sectors. Commercial and industrial sectors, however, are gaining ground.

There has been a nominal increase in per capita income due to rapid increase in population and slow rate of economic growth as would be seen from the table on the opposite page. However, the developments during the last few years promise some good results in the near future, particularly at the end of the Second Plan period.

A table showing national income at constant prices is given on the opposite page. Lately, the Central Statistical Office has also prepared the national income estimates at current prices.

NATIONAL INCOME AT CONSTANT PRICES BY INDUSTRIAL ORIGIN

(*At Factor Cost of 1949-50 to 1952-53*)

(In million rupees

Sector	*1949-50*	*1950-51*	*1951-52*	*1952-53*	*1953-54*	*1954-55*	*1955-56*	*1956-57*	*1957-58*	*1958-59*	*1959-60*	*1960-61*	*1961-62*	*1962-63 (d*
Agriculture (*a*)	10,938	11,317	10,953	11,062	11,835	11,591	11,030	11,820	11,581	11,438	11,980	12,303	13,040	12,735
Major crops	6,208	6,465	5,911	6,012	6,733	6,434	6,095	6,860	6,646	6,611	7,121	7,453	7,981	7,583
Minor crops	1,785	1,753	1,784	1,882	1,903	1,833	1,697	1,707	1,721	1,552	1,575	1,654	1,679	1,705
Livestock	2,364	2,478	2,568	2,452	2,519	2,535	2,548	2,561	2,524	2,587	2,583	2,475	2,638	2,681
Fishing	563	606	676	699	662	771	675	675	674	671	685	704	725	749
Forestry	18	15	14	17	18	18	15	17	16	17	16	17	17	17
Mining and quarrying	20	27	31	31	33	33	36	40	44	48	52	61	65	73
Manufacturing..	1,314	1,399	1,540	1,707	1,926	2,200	2,423	2,575	2,694	2,866	3,040	3,197	3,444	3,649
Large-scale	313	382	487	626	817	1,061	1,252	1,373	1,460	1,599	1,738	1,860	2,069	2,238
Small-scale	1,001	1,017	1,053	1,081	1,109	1,139	1,171	1,202	1,234	1,267	1,302	1,337	1,375	1,411
Construction	252	260	256	332	205	278	281	340	400	425	486	563	661	748
Electricity, gas, water and sanitary services ..	27	29	30	30	34	41	41	44	44	49	52	56	68	77
Transportation, storage and communications ..	569	606	627	635	644	673	685	721	744	796	808	838	863	887
Wholesale and retail trade	1,676	1,741	1,711	1,748	1,884	1,888	1,843	1,972	1,956	1,960	2,059	2,126	2,261	2,258
Banking and insurance	48	58	62	58	68	77	85	91	90	106	113	133	150	170
Ownership of dwellings	886	911	935	960	987	1,014	1,045	1,074	1,107	1,142	1,178	1,216	1,257	1,301
Public administration and defence (b)	858	917	1,073	997	1,023	1,116	1,088	1,056	1,022	1,130	1,022	1,083	1,111	1,214
Services	1,331	1,367	1,278	1,477	1,538	1,441	1,555	1,654	1,797	1,908	1,966	2,002	2,049	2,140
Net domestic product at factor cost	17,919	18,632	18,496	19,037	20,177	20,352	20,112	21,387	21,479	21,868	22,756	23,578	24,969	25,252
Net factor income from rest of the world ..	—10	—9	—8	—14	..	—9	—26	—12	—8	—10	—18	—19	—13	—21
National income	17,909	18,623	18,488	19,023	20,177	20,343	20,086	21,375	21,471	21,858	22,738	23,559	24,956	25,231
Population (c) (In million)..	74,65	76,45	78,98	80,83	82,32	83,79	85,24	86,77	88,42	90,13	91,90	93,72	95,61	97,57
Per capita income (Rs.)	240	244	234	235	245	243	236	246	243	243	247	251	261	259

Note. (1) The estimates under all sectors have been revised and adapted to U.N. classification of industries. These figures are, therefore, not comparable with previous series.
(2) The time reference of the estimates is July-June.

(*a*) Official estimates of agricultural production have been used to compute these estimates. But it is generaly believed that the official estimates are under-estimated.
(*b*) Includes Public Education and Health.

(*c*) Population figures are those worked out by the Planning Commission and relate to mid-financial year.

(*d*) Provisional.

PLANNING

THE SECOND PLAN—PRINCIPAL TARGETS AND OBJECTIVES



To increase national income by 24 per cent. After allowing for the increase in population, this will mean 12 per cent increase in per capita income.



To increase the production of foodgrains by over 21 per cent. This will make the country nearly self-sufficient in food by the end of the Plan period.



To increase large-scale industrial output by about 60 per cent.



To improve the balance of payments position thereby increasing by 15 per cent the foreign exchange earnings.



Raising by 10 per cent the average rate and 25 per cent in the marginal rate of domestic savings.



To achieve substantial progress towards the target of 3 million new job opportunities.



To accelerate the economic growth of relatively less-developed areas in the country.



To reorientate and expand educational, health and social welfare facilities.



To increase housing facilities, particularly for lower income groups.

SIZE OF THE PLAN

AFTER taking into account the objectives and strategy of the Plan, the availability of resources and the problems of technical and administrative feasibility, the Second Plan, as revised, is estimated to cost Rs. 23,000 million. Of this amount, Rs. 12,401 million will be in the public sector, Rs. 3,794 million in the semi-public sector and Rs. 6,805 million in the private sector. The breakup of the Plan expenditure by major sectors is shown in the table on the opposite page.

Allocations in the revised Second Plan over the actual expenditure under the First Plan are substantially higher in absolute terms; but the relative share of various sectors have changed according to the needs of the country. The share of agriculture has increased from 11 per cent to 15 per cent, that of water and power from 17 per cent to 19 per cent and of education and training from 3 per cent to 5 per cent. On the contrary, the share of industry including fuels and minerals has been reduced from 31 per cent to 27 per cent and of housing and settlement sectors from 19 per cent to 15 per cent. The relative shares of the other sectors are about the same as in the First Plan.

A comparison of the First and Second Plan expenditure is given below.

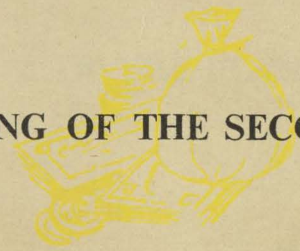
(In million rupees

Sector	*First Plan (actual expenditure)*	*Revised Second Plan (proposed expenditure)*
	(In 1960-61 prices)	
Agriculture	1,440	3,420
Water and Power	2,300	4,390
Industry, Fuels and Minerals	4,100	6,120
Transport and Communications.. ..	2,280	4,050
Housing and Settlements	2,580	3,410
Education and Training	410	1,055
Health	140	420
Manpower and Social Welfare	50	135
Total ..	13,300	23,000

SECTORAL ALLOCATION OF DEVELOPMENT EXPENDITURE

(In million rupees)

	Public sector	*Semi-public sector*	*Private sector*	*Total*
Agriculture	2,515	—	905	3,420
Water and power	4,140	190	60	4,390
Industry	100	1,935	3,085	5,120
Fuel and minerals	179	271	550	1,000
Transport and communications	2,612	533	905	4,050
Housing and settlements	1,410	865	1,135	3,410
Education and training	955	—	100	1,055
Health	370	—	50	420
Social services	85	—	15	100
Manpower and employment	35	—	—	35
TOTAL:	12,401	3,794	6,805	23,000



FINANCING OF THE SECOND PLAN

THE resources required for development expenditure under the Plan, as mentioned earlier, are estimated at Rs. 23,000 million. Of these, 12,050 million will be raised from internal sources and Rs. 10,950 million from external sources* by way of foreign aid, loans and investments etc.

The average rate of savings was about 6 per cent of gross national product during the First Plan. It is estimated that the current potential rate of saving is about 7 per cent. Domestic savings amounting to Rs. 12,050 million can be mobilized if the rate of saving is increased from 7 per cent in 1960-61 to about 9 per cent in 1964-65.

The foreign aid, loans and investments required for the Plan are intended partly to meet the foreign exchange costs of the development schemes in the Plan, which are estimated at Rs. 8,450 million, and partly to serve as balance of payments support of Rs. 2,500 million for increased supplies of raw materials and spare parts needed for effective utilization of industrial capacity.

It may be pointed out that the Plan does not assume that the resources required for its implementation will be easily forthcoming. The mobilization of these resources will require very determined efforts on the part of all concerned. Additional taxation and a higher level of savings will be needed to raise internal finance and economies in non-development expenditure will need to be rigorously enforced.

It is the aim of the Plan to maintain financial stability in the country. It is for this reason that the Plan relies principally on orthodox means of financing, such as taxation and borrowing from the genuine savings of the people. The Plan does not envisage any recourse to deficit financing. Also, it advocates a devicive switch-over from direct economic controls to a policy of regulation of the economy through suitable fiscal and monetary policies, and greater reliance on the market mechanism.

The table on the opposite page shows the financing of the development programmes under the Plan.

*The foreign exchange component has since been scaled down to Rs. 9,370 million by correspondingly increasing the internal contribution.

FINANCING OF THE SECOND PLAN

	Sources
Domestic savings	12,050
Foreign aid, loans and investments	10,950
Total	23,000

(*In million rupees*)

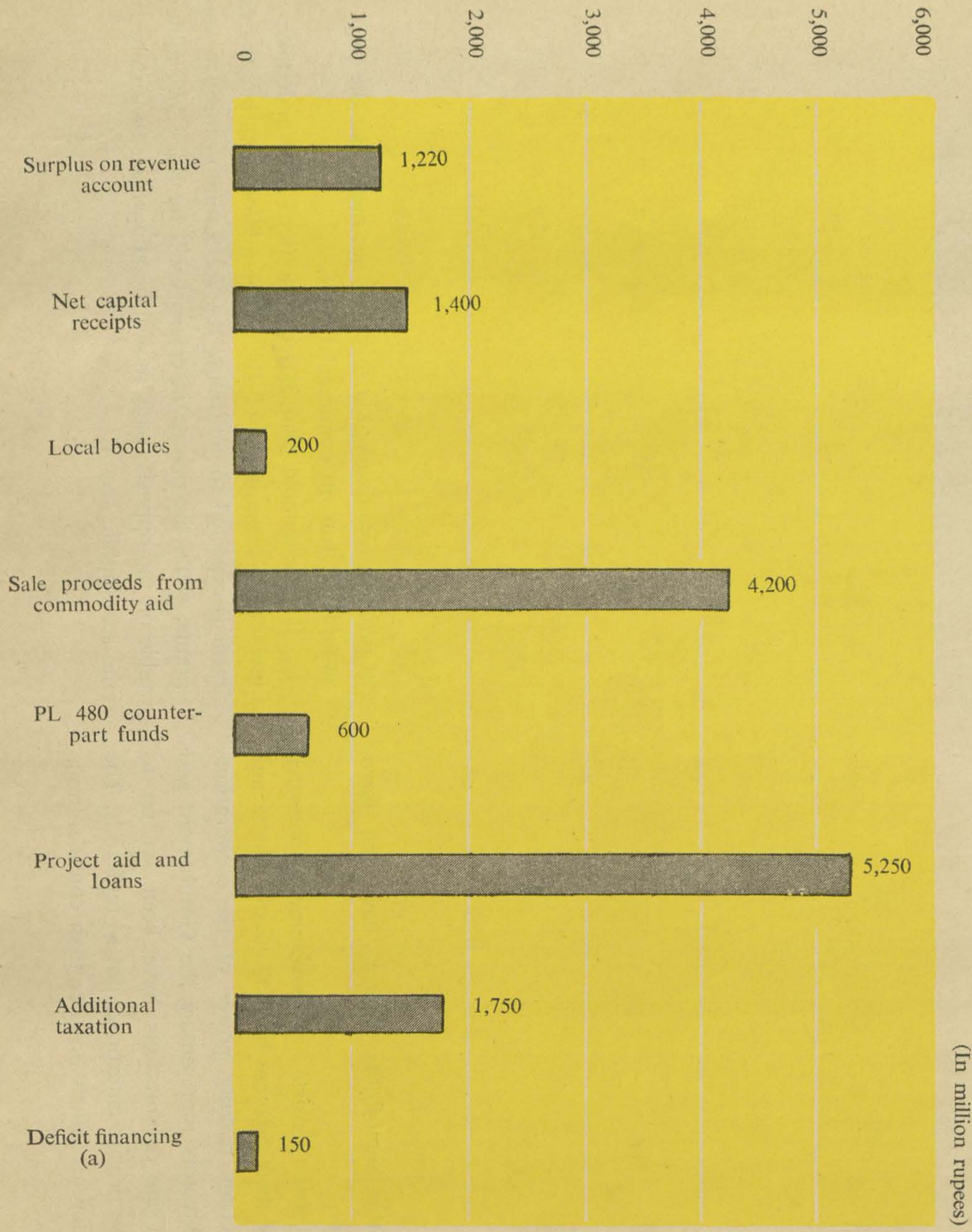
Item	*Local currency*	*Foreign currency*	*Total*
Revenue surplus	1,220	—	1,220
Net capital receipts	1,400	—	1,400
Additional taxation	1,750	—	1,750
Local bodies	200	—	200
Projects aid and loans	—	6,850	6,850
Foreign private investment	—	600	600
Commodity aid	—	3,500	3,500
Customs on commodity aid	700	—	700
PL 480 Counterpart Funds	600	—	600
Private savings (including Public Corporations' own resources)	6,180	—	6,180
TOTAL:	**12,050**	**10,950**	**23,000**

THE Public Sector is expected to mobilize Rs. 14,620 million including Rs. 2,219 million to be invested in the semi-public sector.

It may be mentioned that this does not include expenditure on the Indus Basin Replacement Works which falls outside the Plan's expenditure.

It is expected that the Government will be able to mobilize Rs. 1,220 million from surplus on revenue account after meeting all non-development revenue expenditure; Rs. 1,400 million as capital receipts and Rs. 200 million as resources of local bodies. As a result of the increase in national income, the tax revenues in 1964-65 at the present rates of taxation, are expected to be substantially higher than in 1959-60. This projection is based on the past experience regarding the relationship between the growth in income in various sectors and the growth in tax revenues. The sectors from which tax revenues are mainly raised are: industry and commerce and income in these sectors will increase at a rate much faster than the national average. The chart on the opposite page shows how the public sector is proposed to be financed.

FINANCING OF THE PUBLIC SECTOR



TOTAL: .. (a) 14,620

Note. Of this Rs. 2,219 million would be invested by the Government in the semi-public sector.

(a) Deficit financing will not be resorted to now.

SEMI-PUBLIC SECTOR

A new classification—the Semi-Public Sector—has been introduced in the Second Plan.

The semi-public sector consists of government sponsored corporations which draw their finances both from the public and private sectors. The decision making power of the corporations rests with a board of directors representing the Government and the private enterprise. These corporations have been set up to supplement and encourage private enterprise, not to replace it. The criteria guiding their policy are much broader than considerations of private profitability; but this does not mean that the corporations should not run on commercial lines.

It is estimated that the corporations will undertake a total investment programme of Rs. 3,794 million. Of this, the Government is expected to contribute Rs. 2,219 million through loans and grants, while the private investment will be Rs. 1,575 million. The table on the opposite page shows the allocations in various fields in the semi-public sector.

ALLOCATION IN THE SEMI-PUBLIC SECTOR

(In million rupees)

Field of development	*Government contribution*	*Private contribution*	*Total*
Water and power	—	190	190
Industry	1,360	575	1,935
Fuels and minerals	271	—	271
Transport and communications	113	420	533
Housing and settlements	475	390	865
Total	2,219	1,575	3,794

AN investment of Rs. 8,380 million is expected by the Private Sector during the Plan period. This includes the amount of Rs. 1,575 million to be invested by the Private Sector in the Semi-Public Sector. Of Rs. 8,380 million, Rs. 2,200 million is expected to be available through foreign aid, loans and investments. The balance of Rs. 6,180 million will be raised through the self-financing of public corporations and private sector and through borrowings from the banking system and the stock exchange. A provision has been made for the private sector to borrow up to Rs. 2,000 million from the banking system over the Plan period. The stock exchange are expected to help in mobilizing at least Rs. 500 million of domestic capital. It should not be difficult to mobilize the balance of domestic savings in the private sector in view of the considerable expansion in the size of the industrial sector which is being projected and the past tradition of this sector of re-investing 75 per cent to 80 per cent of its profits.

Self-financing operations will be the most important means of financing the requirements of the private sector. The growth of the industrial sector is expected to lead to a cumulative process of self-financing. The average tax incidence on industry is not very high either. The combined incidence of income tax, sales tax and excise duties does not come to more than 30 per cent on average, because of the liberal depreciation allowances and tax concessions enjoyed by industry. The wage bill is also a relatively small part of the total value added in industry, being less than 40 per cent. This means that a significant share of total value added accrues to the industrialists for distribution as well as for further re-investment. The Plan also proposes to strengthen incentives for re-investment of profits.

A substantial amount of self-financing will be needed for private housing and road transport. In the case of private housing, it is expected that rationalization of existing rates of taxation on property, removal of rent controls on new construction, special tax incentives for low cost housing, and increasing supplies of key construction materials will bringforth substantial savings, usually earmarked by individuals for owning their houses. The road transport programme contains a large element of replacement and it should be possible to finance it out of the accumulated replacement funds as well as from the profits being made by private operators in this field.

ALLOCATION IN THE PRIVATE SECTOR

(In million rupees)

Sector	*Plan allocation*
Agriculture	905
Water and power	60
Industry	3,085
Fuel and minerals	550
Transport and communications	905
Housing and settlements	1,135
Education and training	100
Health	50
Social service	15
TOTAL	6,805

PHYSICAL TARGETS

Agriculture

THE highest priority has been attached to agricultural production. It is stipulated that the present gap in food supply should be closed and foodgrains production raised to the level of self-sufficiency. This will require a major effort. Effective agricultural programmes and administrative policies to execute them will have to be devised and increased provision and utilization of fertilizers, pesticides and other aids to agriculture resorted to. An overall increase of 14 per cent in agricultural output is projected. Wheat production is expected to rise from 3.7 million tons to 4.3 million tons and that of rice from 8.3 million tons to 10.2 million tons by the end of the Plan period. Production of jute and cotton are projected to increase from 6 million bales and 1.7 million bales to 7.3 and 2.3 million bales over the Plan period.

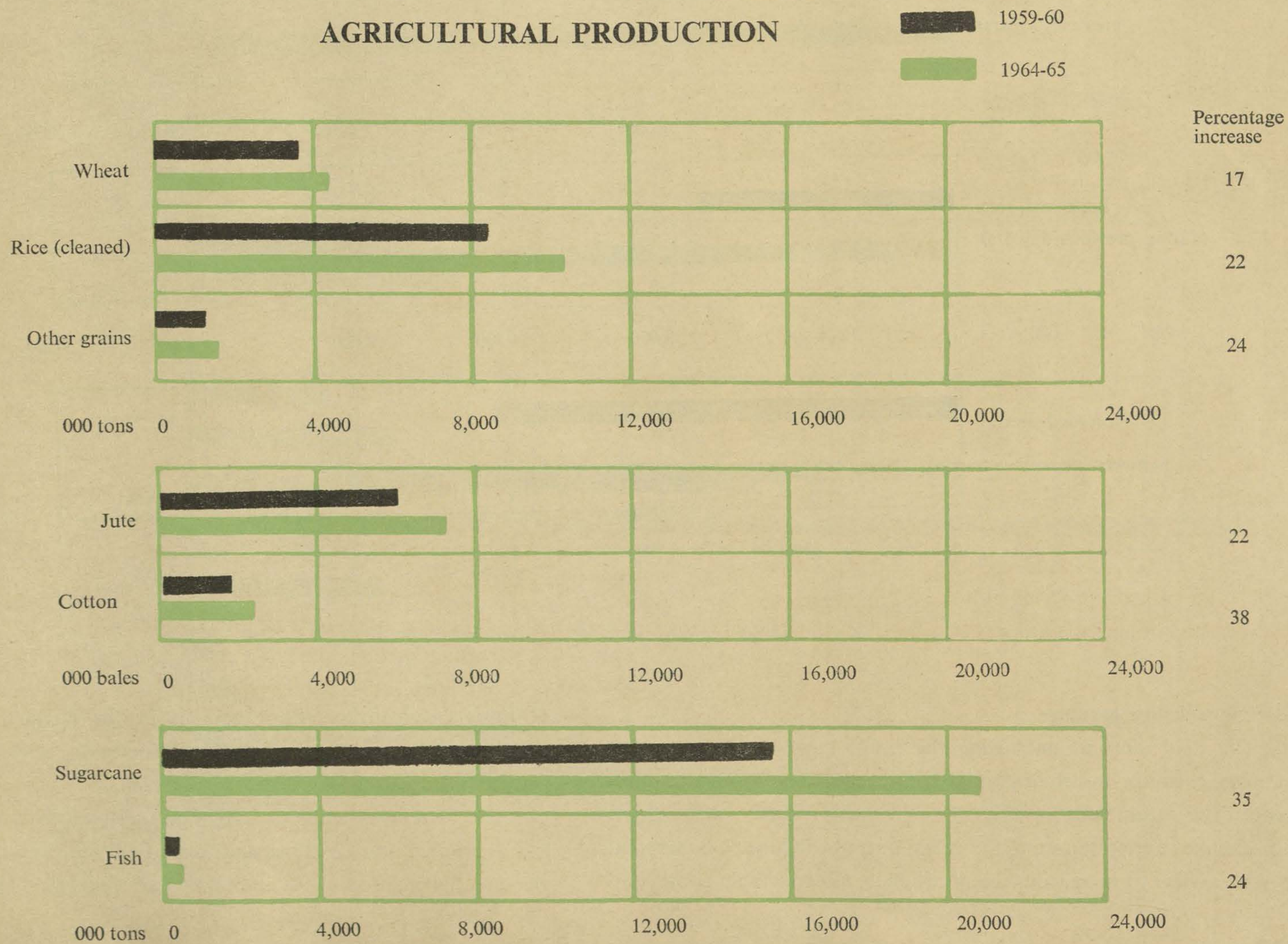
Industry

A substantial increase is proposed in industrial production. The increase in industrial, fuel and mining sector is projected to go up by 50 per cent. Provision is made for optimum utilization of existing capacity and substantial additional investment for balancing and modernization in this sector. New capacity is to be established where it demonstrably and substantially earns or saves foreign exchange or is based in the main on the use of indigenous raw materials. Basic industries are to be encouraged where economically feasible. Special emphasis is placed on the development of small-scale industries, both because of their intrinsic merits and because of their employment potential. In particular, those major industries are to be encouraged which stimulate agricultural development or which support small-scale industries. Private investment in industry is to be given maximum encouragement.

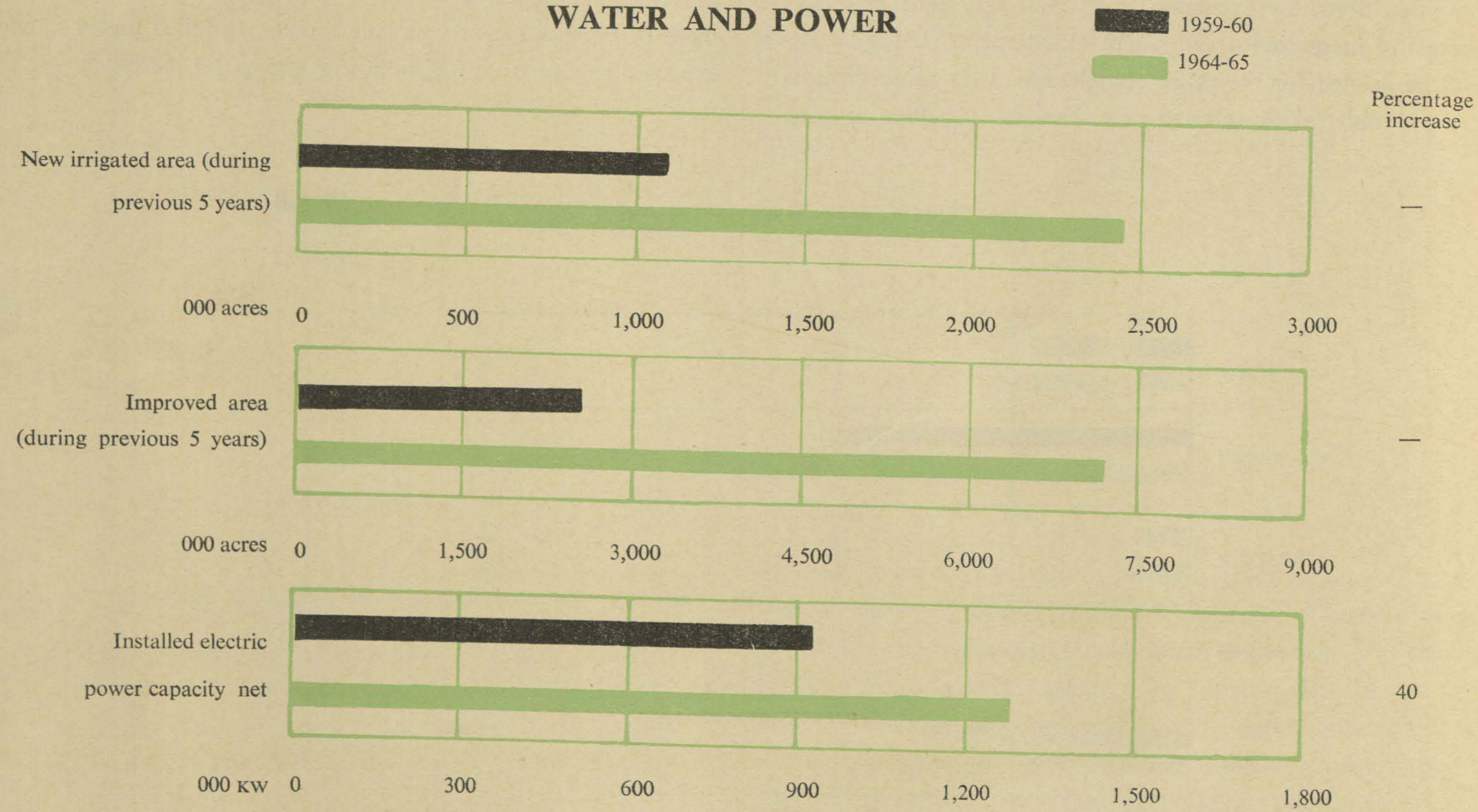
Water and power

Increases in agricultural and industrial production will require further development of water and power resources, transportation,

and communications. In particular, it is necessary that transport keeps abreast of increasing development requirements. Large investments will be needed for the rapid completion of on-going projects as well as for undertaking selected new schemes. The Plan aims at ensuring that deficiencies in these basic services do not retard achievement of production and income targets. Installed power capacity is expected to rise from 0.9 million K. W. to 1.3 million K. W.



WATER AND POWER



Foreign exchange earnings

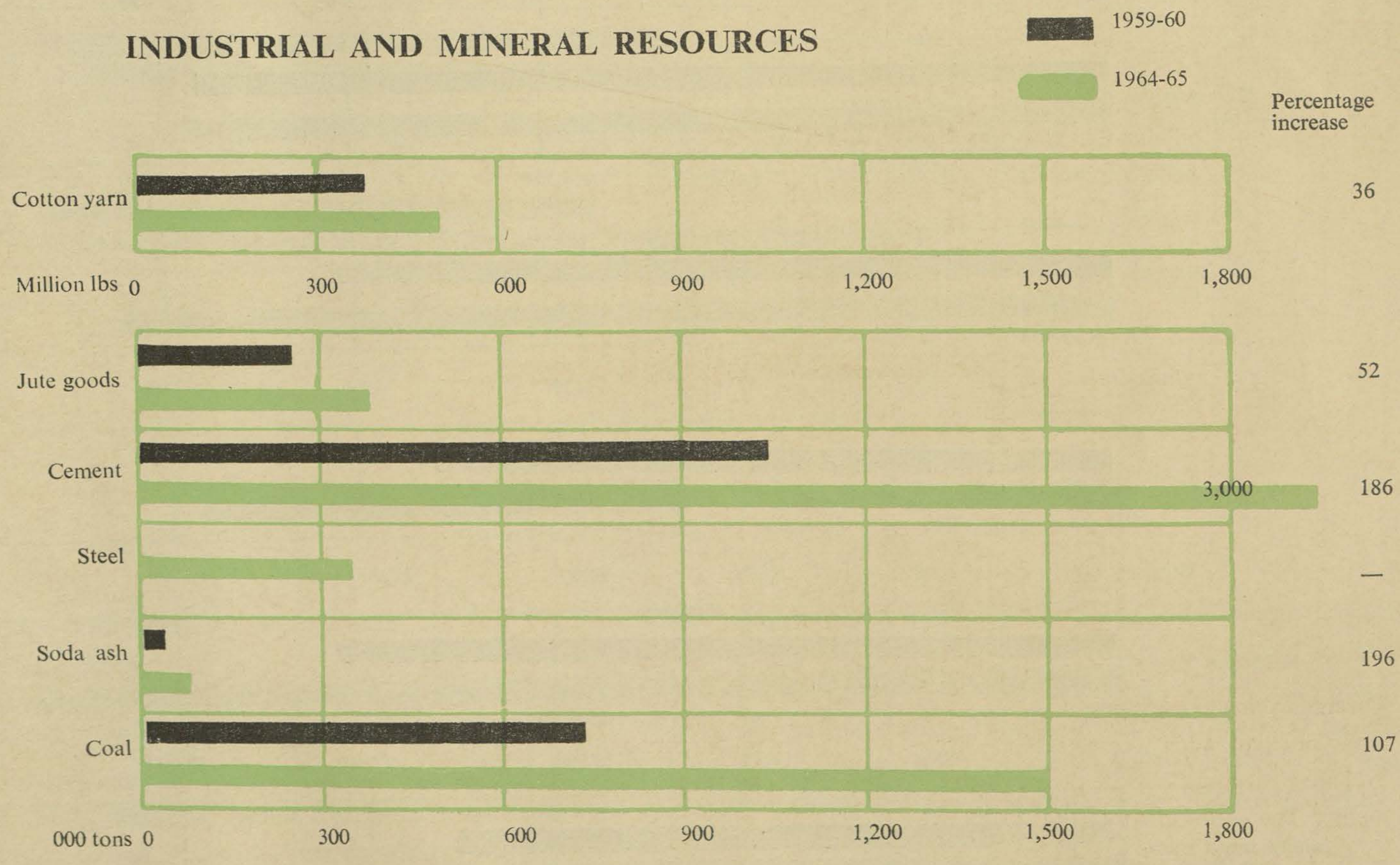
The Plan aims at narrowing the present gap between foreign exchange earnings and the essential non-development import requirements. The attainment of this objective will require much effort. In particular, agricultural and industrial output will have to be stepped up with a view to increasing the production of exportable goods and of import substitutes. Improvement in the balance of payments position has been the principal consideration in determining the various production targets set in the Plan.

The Plan endeavours to accelerate economic growth of relatively less developed areas in East and West Pakistan. Special attention is given to the creation of the economic and social overheads which are

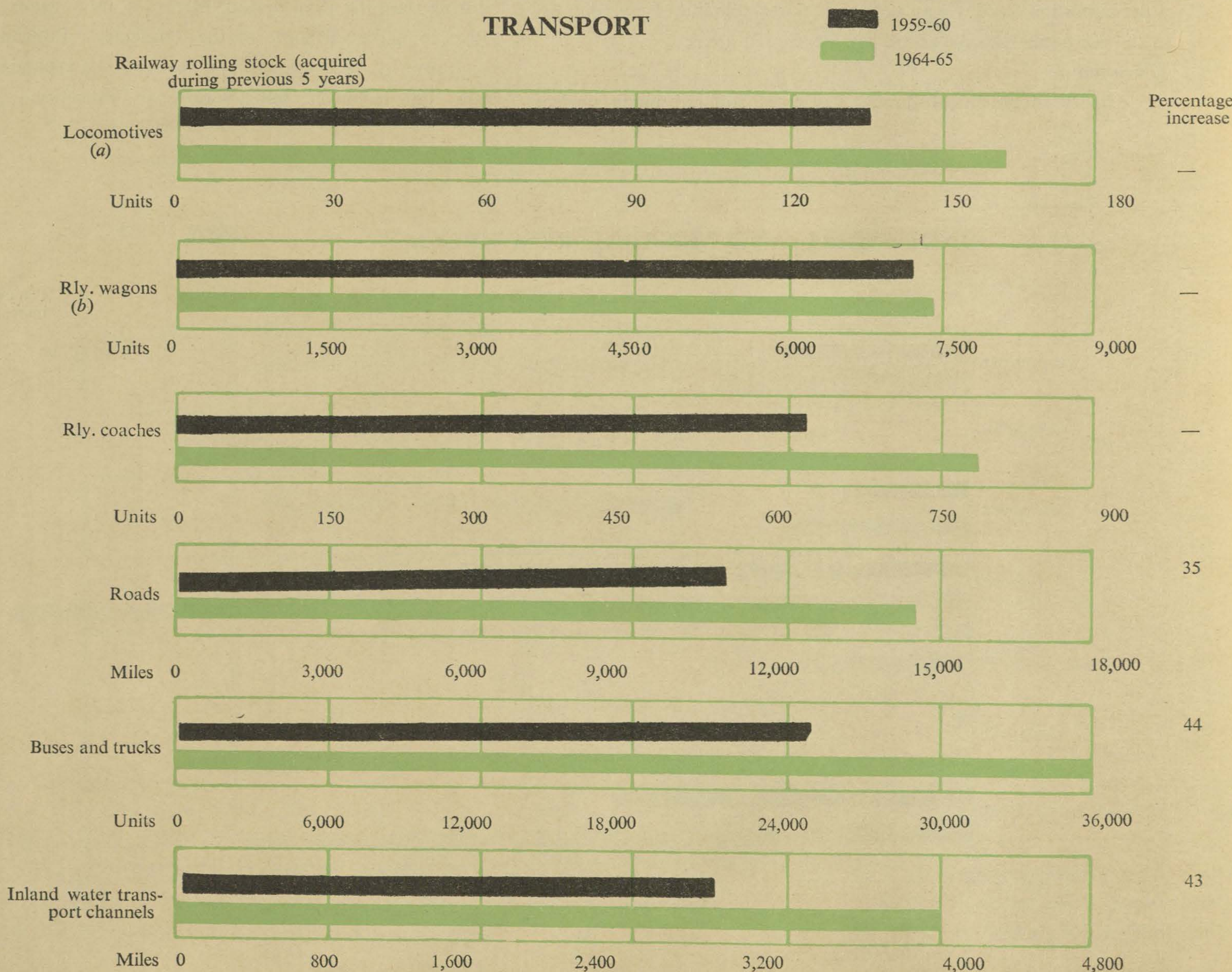
a pre-condition for development, and appreciable increase is planned in the per capita income of the less developed areas.

Education

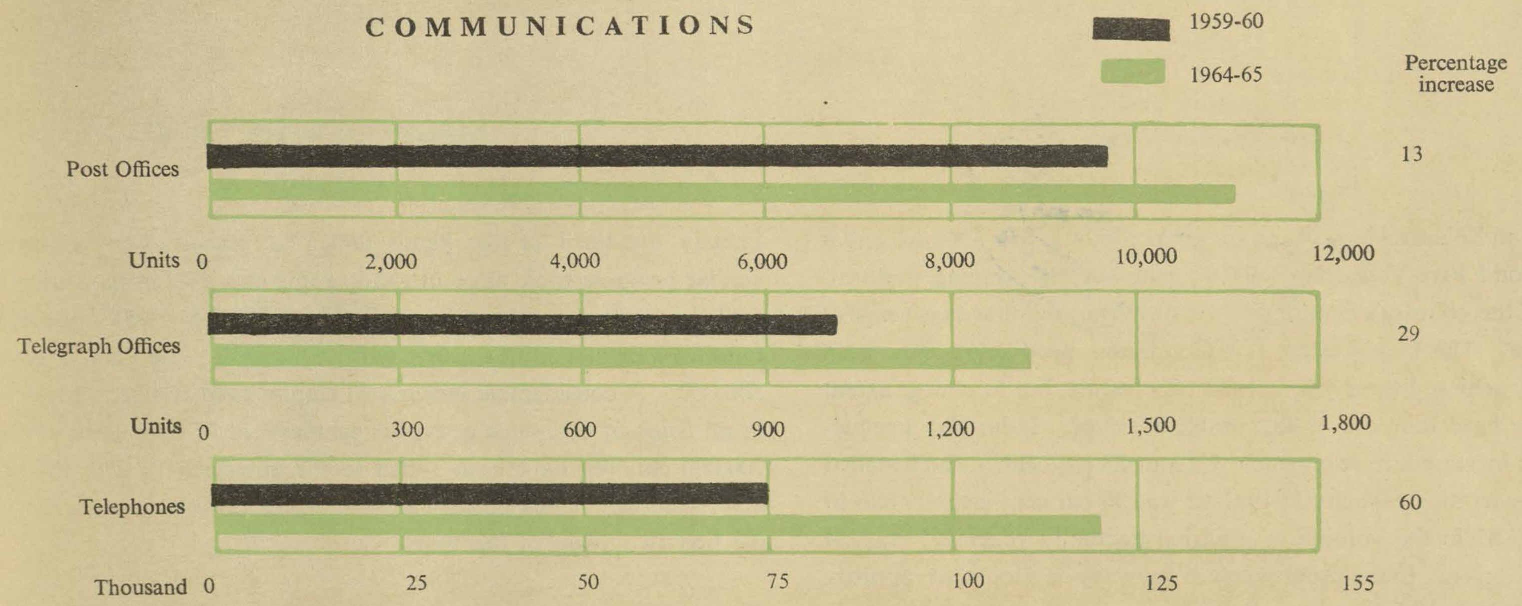
The development of human resources suffered much neglect during the First Plan period. Measures are suggested in the Second Plan to make up some of the deficiencies. Education is accorded high priority. Institutional facilities are to be expanded and emphasis laid on technical and vocational education, particularly to



TRANSPORT



(*a*) The target figure has since been revised to 202
(*b*) Target since revised to 12,708



meet the requirements of the Plan.

Transport and communications

This sector has been accorded high priority in the Plan as on its development depends the progress of other sectors.

A nationally co-ordinated programme for the training and use of manpower is to be undertaken. Health and social service facilities are to be reorganized and expanded. Consideration is also given to the improvement in the living and working conditions of the workers and to the provision of a measure of social security for them. Housing facilities, particularly for lower income groups, are to be extended, although it will not be possible to eliminate the housing shortage in the near future. Finally, provision is made in the Plan for organizing a programme of family planning as hitherto, the fruits of economic development have been almost completely absorbed in maintaining an increasing population.

THE mid-plan review of progress in 1960-61 and 1961-62 under the Second Five-Year Plan tells the story of encouraging performance of the country's economic growth during the first two years of the Plan. The Plan's target for foodgrains production has been virtually achieved three years ahead of schedule, but to a large extent this may have been due to favourable weather. Industrial production has increased, in two years, by about 23 per cent. The installed power-generating capacity in 1961-62 was 30 per cent greater than in 1959-60, while the volume of electricity actually generated was 54 per cent larger. In the programme of railways development, approximately one-third of the Plan's target has already been achieved; similar progress took place in road, water and air transportation as well as in the communication sector. About 42,000 displaced families were settled in the first two years against the Plan target of 300,000. A considerable increase in employment has been provided in all fields of economic activity. In the field of education, almost 700,000 children have been added to the enrolment lists in the primary schools. Table below shows the financial achievements during the first two years of the Plan.

(In million rupees)

Sector	*Allocation up to 1964-65*	*Utilization up to 1961-62*	*Percentage utilized*
Agriculture ..	2,515	531	21
Industry and mining ..	1,910	450	24
Water and power ..	4,140	1,483	36
Transport and communications..	2,725	942	35
Housing and settlements ..	1,885	568	30
Health ..	370	109	29
Education and training ..	955	—	—
Social services ..	85	7	9
Manpower and employment ..	35	7	19

Note. Allocation also includes the public sector's contribution in the semi-public sector.

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